

HOUSE OF ASSEMBLY
Tuesday, 25 September 2018
ESTIMATES COMMITTEE A

Chair:

Mr P.A. Treloar

Members:

Hon. J.W. Weatherill

Ms N.F. Cook

Ms K. Hildyard

Ms P. Luethen

Mr S.J.R. Patterson

Mr A.S. Pederick

The committee met at 09:00

Estimates Vote

DEPARTMENT OF HUMAN SERVICES, \$1,067,165,000

ADMINISTERED ITEMS FOR THE DEPARTMENT OF HUMAN SERVICES, \$192,286,000

Minister:

Hon. J.M.A. Lensink, Minister for Human Services.

Departmental Advisers:

Ms L. Boswell, Acting Chief Executive, Department of Human Services.

Mr A. Thompson, Chief Financial Officer, Finance and Business Services, Department of Human Services.

Mr M. Homden, Executive Director, Youth Justice, Department of Human Services.

Ms N. Rogers, Director, Office of the Chief Executive, Department of Human Services.

Mr G. Myers, Principal Coordinator, Strategic Projects, Office of the Chief Executive, Department of Human Services.

Ms K. Hawkins, Director, Concessions and Support Services, Community and Support Services, Department of Human Services.

Ms K. Tattersall, Director, Service Transfer, Disability and Reform, Department of Human Services.

Mr P. Tsoundarou, Acting Director, Community Services, Community and Support Services, Department of Human Services.

The CHAIR: Good morning, everybody. Welcome to the sitting of Estimates Committee A in the estimates schedule. I will just go through a short introductory comment from the Chair. The estimates committee is a relatively informal procedure and, as such, there is no need to stand to ask or answer questions. I understand the minister and the lead speaker for the opposition have agreed to an approximate time for the consideration of 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, as previously distributed, is accurate?

The Hon. J.M.A. LENSINK: Yes, Mr Chairman.

The CHAIR: Are you happy with that?

Ms COOK: Yes.

The CHAIR: Thank you. Changes to the committee membership will be notified as they occur. Members should ensure that the Chair is provided with a completed request to be discharged form. I can advise that the members for Kavel, Heysen, Elizabeth, Enfield, Kurna and Colton have been replaced by the members for Hammond, King, Morphett, Hurtle Vale, Reynell and Cheltenham. If the minister undertakes to supply information at a later date, it must be submitted to the committee secretary by no later than Friday 26 October. I propose to allow both the minister and the lead speaker for the opposition to make opening statements of about 10 minutes 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. This is not necessarily to be the case. Supplementary questions will be the exception rather than the rule. A member who is not part of the committee may ask a question at the discretion of the Chair. Questions must be based on lines of expenditure in the budget papers and must be identifiable or referenced. Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion in the assembly *Notice Paper*.

There is no formal facility for the tabling of documents before the committee; however, documents can be supplied to the Chair for distribution to the committee. The incorporation of material in *Hansard* is permitted on the same basis as applies in the house; that is, it is purely statistical and limited to one page in length. All questions are to be directed to the minister, not the minister's advisers, and the minister may then refer questions to advisers for a response. The committee's examinations will be broadcast in the same manner as sittings of the house are broadcast, through the IPTV system within Parliament House and via the web stream link to the internet.

I will now proceed to open the following lines for examination: the portfolio of the Department of Human Services—a big department, minister. I declare the proposed payments open for examination and refer members to the Agency Statements, Volume 3. Minister, would you care to make an opening statement and also take time to introduce your advisers.

The Hon. J.M.A. LENSINK: Can I start by introducing the advisers who are with me today. To my left is Mr Andrew Thompson, Chief Financial Officer, Finance and Business Services. To my right is Lois Boswell, Acting Chief Executive, Department of Human Services. At the second table, we have Mr Greg Myers, Principal Coordinator, Strategic Projects, Office of the Chief Executive, and Nancy Rogers, Director, Office of the Chief Executive.

In the third row, we have Katherine Hawkins, Director, Concessions and Support Services, Community and Support Services, and Michael Homden, Executive Director, Youth Justice. In the gallery today we are also joined by Mr Paul Tsoundarou, Acting Director, Community Services, Community and Support Services, and Kelly Tattersall, Director, Service Transfer, Disability and Reform.

I will just make a short opening statement. Through the Department of Human Services (DHS), the government delivers and funds quality services that protect and enhance the community's wellbeing and provide support to people when they need it. The department has a key role to play in delivering on the government's plan for real change.

I would briefly like to highlight some major areas of work. Before the election, we committed to addressing delays and waiting times for screening. There was a large backlog of complex applications, which has now been dealt with. The backlog project commenced on 9 April 2018 and was finalised on 31 August 2018; 1,253 of the 1,310 applications were completed, which is a reduction of 96 per cent. The remaining 57 assessments are being completed as a priority.

Around 85 per cent of applications are now dealt with within three weeks or 15 business days. We will also be introducing new performance indicators to provide for greater accountability and transparency. We are also delivering on our election commitment of free screening checks for volunteers. This is to commence on 1 November. In a number of areas, better and more efficient processes are improving customer services.

We are continuing to review and improve the administration of concessions and also building customer responsiveness in other key areas of service delivery. The transition of all domiciliary care services to the Royal District Nursing Service was successfully completed on 29 June 2018. The majority of staff transitioned with the service, retaining their skills and experience in the sector. Clients will continue receiving quality supports and are able to exercise choice and control over their services.

Supporting children and young people who become involved in the criminal justice system is a complex and important responsibility. Young people should expect appropriate consequences for their actions but also be aided to make better choices for their future. DHS is therefore developing a new youth justice strategy that will provide better outcomes for young people and the community through a range of early intervention, diversion, connected support and community reconnection services and activities.

Finally, the 2018-19 budget was a tight budget in which difficult decisions had to be made about priorities and expenditure. We have, however, maintained our support for a strong not-for-profit sector and for partnerships and funding that deliver results for the community. We are still reviewing and developing priorities in this area, but I can assure everyone that our commitments include accountability, transparency, reduced red tape and connected services. Our approach is to engage with stakeholders to ensure genuine codesign of programs with the community and with flexibility and funding arrangements as needed.

The CHAIR: Thank you, minister. Does the lead speaker for the opposition wish to make a statement?

Ms COOK: No, I just welcome the minister to her first estimates committee.

The Hon. J.M.A. LENSINK: Thank you.

Ms COOK: And we will just proceed with questions.

The CHAIR: I have just a little bit more housekeeping. This portfolio is going to remain open right through until 1pm, so the entire morning session. As just a rough breakdown, up until morning tea, from 9 o'clock until 9.45 I have questions, on my agenda at least, relating to the Department of Human Services and, from 9.45 to 10.30, to the Housing Authority and affordable housing. At 10.30, we will break for morning tea. Questions, member for Hurtle Vale.

Ms COOK: Thank you, Chair. This is a general question seeking qualification regarding the breakdown and movement of the programs and sub-programs from the 2017-18 budget to the 2018-19 budget regarding all the machinery of government changes. Where do specifically the budget items Grants SA, Screening SA, concessions, and Youth Justice sit?

The Hon. J.M.A. LENSINK: I will ask our acting CE to respond to that particular question.

Ms BOSWELL: Grants SA, Screening SA and Concessions SA all sit in program 1.

Ms COOK: Program 1?

Ms BOSWELL: Communities; yes.

Ms COOK: And Youth Justice is part of—

The Hon. J.M.A. LENSINK: Program 3.

Ms COOK: I will commence with some questions referring to Budget Paper 4, Volume 3, page 96. What modelling or projection has been undertaken by the department to suggest that, despite the government policy with screening applications changing to be free for volunteers, they will only increase by 844, when in the previous financial year they actually increased by nearly 40,000 (38,156)?

The Hon. J.M.A. LENSINK: I thank the honourable member for her question; it is a good question. At the time the 2018-19 budget Agency Statements were prepared, there was no commencement date for the Child Safety (Prohibited Persons) Act 2016 or free screening checks for volunteers. The Screening Unit was therefore unable to analyse the impact that these initiatives might have on screening figures for 2018-19. I might actually ask Andrew if he can respond in a bit more detail, because I understand that it is to do with the way that budgeting is framed, timing and those sorts of issues.

Mr THOMPSON: Simply, consistent with what the minister said, the preparation of the Agency Statements was earlier in the calendar year, around April or May, when the statistics were being prepared.

Ms COOK: Have there been contingency funds allowed, if there were to be a large amount of additional screening, based on the free volunteer screenings?

The Hon. J.M.A. LENSINK: Clearly, additional funding has been allocated in the budget in relation to the free screening budget commitment, which we are now able to deliver. If any additional funding were required—if there was an unanticipated increase in those screenings—then we could consider that through other processes.

Ms COOK: In respect to recent pressure by volunteer organisations, ourselves, etc., I thank the minister for bringing forward the screening to November. That will be very helpful to non-government organisations and they welcome that. When was it first decided to roll them out on 1 January and on what date was it decided to roll them out in November?

The Hon. J.M.A. LENSINK: I am sorry, I missed part of your question.

Ms COOK: When did the minister first decide to roll out the free screenings for volunteers on 1 January, and then when was the decision made to roll them out in November?

The Hon. J.M.A. LENSINK: I think it is pretty fair to say that the Marshall Liberal government underpromises and overdelivers. The free screening checks were not within our 100 days, but we did want to bring them in as soon as possible, so we were very pleased that the budget allocation was able to be made in this budget. The department identified some systems issues that were potentially going to be a barrier to implementing the free screening checks earlier, so we are pleased that we have been able to roll them out as of 1 November through those systems changes. That has been the potential barrier to date.

Ms COOK: What exactly were the systems changes that had to happen?

The Hon. J.M.A. LENSINK: There are a number of technical issues in relation to the Screening Unit. I might get some advice.

Ms COOK: While the minister is getting advice on that question, can I again ask when the decision was made? What date was the decision made to undertake free screenings from 1 November?

The Hon. J.M.A. LENSINK: I think I would have to go back through our records in order to respond to that. Certainly, we wanted to bring them in as soon as possible. At some stage, I thought that legislation might be a particular impediment to making those changes. As we have done more work, we realised that it has been systems issues that have been the barrier, which we have now worked through and we are able to provide that from 1 November. I might ask if our acting CE can respond in more detail.

Ms BOSWELL: The Screening Unit had to amend the online systems from when the system flows because we need to be able to separate the types of screening and how they are received. In the first instance, some things are going to be done by waiver. Other things will come a bit later, in terms of potential regulatory and legislative change.

Ms COOK: Was the minister advised at all that free screening could come into effect through a regulatory change by changing the cost of a screening in the regs to zero dollars?

The Hon. J.M.A. LENSINK: I think that has been part of the advice that we have received.

Ms COOK: Can the minister advise when that advice was given?

The Hon. J.M.A. LENSINK: That is quite difficult because we have weekly meetings which—

Ms COOK: You can take it on notice if you need to check.

The Hon. J.M.A. LENSINK: I am not sure whether I can advise that specifically because we have our weekly CE meetings with, clearly, senior people from the department. Obviously, the CE, the deputy CE and a range of other people attend those meetings and there are a number of items that are listed, but there are a number of items that we spontaneously raise, too, so I think—

Ms COOK: A month is okay. You do not even have to have a date.

The Hon. J.M.A. LENSINK: I am not sure whether I can specifically give you that exact detail because some of the updates that we receive are verbal as well. I do not necessarily take down every last detail, so I am not sure that I can actually provide that information.

Ms COOK: If you would not mind taking it on notice and humouring me and someone can have a little search. If something comes up, that would be useful; that is all.

The Hon. J.M.A. LENSINK: Yes, if I am able to provide that then I will.

Ms COOK: In respect of free volunteer screening, is the minister aware of the difference between the working with children and vulnerable people screening versus a VOAN check that is done by the police department?

The Hon. J.M.A. LENSINK: Yes, I understand that there is different information searched for in the databases between the more complex checks, which is the working with children checks and working with people with a disability, compared with what I think we can broadly call just a police check. The information that they can access is much less complex, whereas the complex checks go to court records and police records.

Ms COOK: In terms of the overall number of volunteer checks, which is the vulnerable people and children plus the VOAN check, are you aware of the number breakdown of the different types of all checks?

The Hon. J.M.A. LENSINK: Yes, we can provide that for you. Are you asking for the overall number of checks of South Australians or—

Ms COOK: Yes, the overall number of—shall we call them the DHS specific checks—

The Hon. J.M.A. LENSINK: Yes.

Ms COOK: —plus the VOAN checks.

The Hon. J.M.A. LENSINK: We do not have numbers for the VOAN checks, I am sorry. I will give you the information in relation to the applications approved per annum. This is for the 2017-18 year. The number of applications approved per annum in relation to child related are 101,772; disability related, 17,213; vulnerable person related, 18,631; aged-care sector, 12,159; and general employment probity is 5,529. That is a total of 155,304. That is all applications for 2017-18, so that does not break down between volunteers and others. Obviously, we have students and working ones. Sorry, that is volunteers, I apologise. The total volunteer screening component of that 155,000 in 2017-18 is 35,392. That is 22.79 per cent.

Ms COOK: Given that those screenings are the DHS screenings for, broadly, vulnerable people and children, and the VOAN check is used for sausage sizzles, canteens and goal umpires, for example, and there are tens of thousands of those—I do not have the number; I have asked but you do not have it—could the minister get that information for me on notice. Given that that is the case, has the minister received any advice or had any conversations with the Minister for Police regarding the continuance of the free volunteer check administered by SAPOL?

The Hon. J.M.A. LENSINK: Thank you for your question. The advice is that through the prohibited persons legislation that was passed in 2016 all volunteers need to get working with children checks through DHS, in any case. We will obviously be adjusting our systems accordingly to manage that influx.

Ms COOK: So you are prepared for the VOAN screening to stop with SAPOL and come across to you?

The Hon. J.M.A. LENSINK: I will ask the acting CE to respond.

Ms BOSWELL: As I understand it, member, when the prohibited persons act comes in, a VOAN check will not be sufficient for volunteers if they are in prescribed categories anyway, in which case they will all end up working with children checks coming through the Screening Unit of DHS.

Ms COOK: Even a Lions member or a Neighbourhood Watch person doing a sausage sizzle?

Ms BOSWELL: If you need a working with children check, it would have to come through—

Ms COOK: No, I mean a VOAN check. There are tens of thousands of checks that happen through SAPOL for people who work on canteens and barbecues, etc., and do not work with children. Has the minister received any advice that those checks through SAPOL are going to continue or are they going to cease?

Ms BOSWELL: The minister has not received any advice regarding that.

Ms COOK: If they were to cease, and if we said that 30,000 additional screenings or even more, 50,000 additional screenings, came across to DHS, what impact would that have on your capacity?

The Hon. J.M.A. LENSINK: I guess the simple answer is that we will work through any challenges as they arise. For anybody who wants to get a 'police check', there are a number of agencies that do those online. They are quite readily available; they are something that our agency does as well. We are going to work through any of those operational challenges as they arise and manage them.

Ms COOK: I am still in the same budget area, around concessions. Is the review of concessions being undertaken in the department now complete?

Mr PEDERICK: Is that the same page?

Ms COOK: Actually, I think it might be page 92 of Budget Paper 5. I have training wheels, too, sorry. Go to Budget Paper 5, page 92, the ConcessionsSA line.

The Hon. J.M.A. LENSINK: I am happy that we have that budget line. The Department of Treasury and Finance (DTF) provided DHS with one-off funding of \$250,000 to engage consultants to undertake a review of ConcessionsSA, to streamline administration and service delivery processes and achieve efficiencies. The funding was allocated as part of the 2017-18 budget process.

In the 2018-19 state budget, DHS has been allocated \$200,000 to assist in implementing recommended system enhancements to streamline administration and service delivery processes and achieve efficiencies as arising from the review of ConcessionsSA. In May 2018, an independent external consultant, Gyre Digital Pty Ltd, was appointed following a procurement process to conduct a review of the administration of the major household concessions.

The review examined the application, verification, payment, audit and reconciliation processes of the major household concessions to identify process efficiencies and possible cost savings. This included alternative approaches to delivering concessions and investment in resources and infrastructure to achieve long-term efficiencies in concessions administration. A draft report was provided on 29 June 2018 and a final report was provided on 26 July 2018, following due diligence by the Department of Treasury and Finance and the Department of Human Services.

Ms COOK: When will the final report be released to the public?

The Hon. J.M.A. LENSINK: It has been provided to cabinet, so it sits within that process. It is very much an administrative document.

Ms COOK: Is that a cabinet-in-confidence type arrangement now?

The Hon. J.M.A. LENSINK: Yes, it is.

Ms COOK: Was the report produced for cabinet, or was it produced for the department to undertake changes?

The Hon. J.M.A. LENSINK: My advice is that the report was produced for a budget process to examine those, so that remains as a cabinet-in-confidence process.

Ms COOK: I have a couple of questions regarding the \$200,000 that I understand is set aside to support enhancements. 'Enhancement' is a really subjective term. Is that enhancement descriptive of the aims of the minister, the aims of the Treasurer or the aims of consumers?

The Hon. J.M.A. LENSINK: We are always interested in the consumers, honourable member, as you would know. In terms of the details about concessions administration, I might ask the acting CE to provide some more detail.

Ms BOSWELL: It is primarily to try to produce a better online interface for people so that they can actually see where their application is up to. The people who are answering the phone at the other end can see it on one screen. We have to work through the details of that, but it is intended to be a better client interface. That is what that money is for.

Ms COOK: I would have thought that it is not necessary to stick it in cabinet if it is that simple. In terms of concessions, have there been any recommendations, or has any modelling been done regarding a percentage of energy usage base approach to energy concessions?

The Hon. J.M.A. LENSINK: I thank the honourable member for her question. This is something that SACOSS have expressed interest in. They probably put it to honourable members before the election, as they did to us. It will be considered in consultation with SACOSS and relevant organisations. I know it is also of interest to the minister for minerals and energy. Certainly, at this stage, no decision has been made.

Ms COOK: So no modelling or anything like that has been done at the moment on what the impact would be from a cost point of view?

The Hon. J.M.A. LENSINK: The advice is that no modelling has been done at this stage.

Ms COOK: Can the minister rule out the movement of the delivery of energy concessions over the forward estimates from the department to an energy provider?

The Hon. J.M.A. LENSINK: As your colleagues in the Legislative Council would know, I am not in the practice of ruling anything in or out. SACOSS put this to us as a political party prior to the election, and we said that we would look at it. Before any decisions are made, I am sure that there will be a very thorough investigation of it.

Ms COOK: How many times have you met with Ross Womersley from SACOSS since you have been a minister?

The Hon. J.M.A. LENSINK: From memory, I have had at least two meetings with SACOSS with the Premier. I see him on other occasions as well.

Ms COOK: You have not met with Ross Womersley by yourself since being a minister?

The Hon. J.M.A. LENSINK: One-on-one coffee, no, not that sort of thing. I usually have formal meetings, but I do run into Ross quite regularly. As with all other stakeholders, he knows that he can phone me at any stage if he wants to raise particular urgent issues.

Ms COOK: I have asked about ruling out things on energy. I assume that the same answer will apply to ruling out the cutting of any concessions over the forward estimates.

The Hon. J.M.A. LENSINK: I do not think that the forward estimates are under consideration in this examination of estimates. That is hypothetical and not within the scope of these particular examinations.

Mr PATTERSON: Chair, if I could take you to—

The CHAIR: Do you have a point of order?

Mr PATTERSON: No.

The CHAIR: You have a question. The member for Morphet.

Mr PATTERSON: I refer to Budget Paper 4, Volume 3, going back to the screening applications and referring to pages 94 and 96. Can the minister please provide the committee with information on measures implemented by the government to address delays in the processing of screening applications?

The Hon. J.M.A. LENSINK: I thank the honourable member for this question. The government is addressing delays and wait times for the screening process. As at 30 June 2018, over 155,000 screening applications were received and finalised by the DHS Screening Unit for the 2017-18 financial year. Of these applications, 148,000, or 95 per cent, were processed within six weeks.

However, a backlog had developed of more complex matters. In April 2018, a temporary project team was established to address this backlog, which included approximately 1,300 detailed assessments. The project was finalised on 31 August 2018, with 1,253 of the 1,310 applications completed, which is a reduction of 96 per cent. The remaining 57 assessments are being completed as a priority. The Screening Unit is also developing strategies to reduce processing times. This includes further systemisation of the screening process, reviewing decision-making thresholds and the introduction of key performance indicators.

I also encourage all applicants to ensure that their applications are completed accurately and include all relevant information, especially all known names. Accurate information means that the Screening Unit can quickly and efficiently access relevant records, which assists efficient processing. Applications that take longer than six weeks to process are more complex matters. Generally applicants have significant child protection and/or criminal history that needs to be thoroughly assessed. As well, sometimes information needs to be sourced from interstate. Applicants may also be required to provide additional information, which adds to the processing time.

The CHAIR: The member for Hurtle Vale.

Ms COOK: Just to jump back to the answer that was given before by the minister, I am a bit confused as to itemisations in the budget papers not being up for examination. I asked you a question about the forward estimates regarding costing and you said that it was not part of the line.

The Hon. J.M.A. LENSINK: I am sorry, you will have to repeat your question for me.

Ms COOK: Just before, when we were on concessions, I asked you whether any cuts were predicted in concessions in the forward estimates, and you said it was not up for examination. I am a bit confused about that.

The Hon. J.M.A. LENSINK: I am sorry, I thought you were talking about future budgets.

Ms COOK: No. I am talking about the forward estimates in this budget.

The CHAIR: While the minister is seeking that advice for the opposition, I mention the omnibus questions. Member for Hurtle Vale, you will need to read them in prior to 1pm, and you will need about four minutes to read them, so just pick a time in the day.

Ms COOK: I might do it in a later session.

The CHAIR: Yes, that is fine.

The Hon. J.M.A. LENSINK: Could I perhaps paraphrase what the honourable member might have been meaning to ask, that is: are there any policy decisions in this budget which would mean there would be a cut to concessions?

Ms COOK: Yes, essentially.

The Hon. J.M.A. LENSINK: The answer to that is no.

Ms COOK: I want to quickly jump back to the discussion around screening, and the reference is 4.3, program 1, page 96. If there is, say, a 20 per cent increase in the projected screenings, what is the budgetary impact of that in dollar terms? I am happy for you to take it on notice and come back. It is a fairly important question. What would be the impact on the budget?

The Hon. J.M.A. LENSINK: I will ask Andrew whether he can provide some information.

Mr THOMPSON: We probably would look to take it on notice, but essentially we would need to do the modelling because it would depend on the composition of the applicants we were expecting through. Were they all going to be volunteers who were no longer going to pay a fee, or was it another sort of mix of applicants who were going to lead to that increase? We would need to undertake the modelling.

Ms COOK: Would you expect that Treasury will meet that cost, or will it be required to be met within the current budget of DHS?

Mr THOMPSON: We always have a hope and expectation that Treasury will meet the cost because, for our budget, it is very difficult for us to be able to absorb anything like that. In relation to an earlier question, due to the later budget, the preparation of the Agency Statements was a little bit later than the normal cycle, which would have been starting February, March, April, May, because of the delayed timing of the budget. The preparation of the Agency Statements was a bit later in the calendar year than would normally be the case.

Ms COOK: And no modelling has been done by the department on this since then? Is that what you said?

Mr THOMPSON: I would have to check with the screening people because quite often there is ongoing work being done because there are a number of initiatives occurring in this space and they are likely to be looking at the impacts of those initiatives.

Ms COOK: You said grants were within Communities, so I will refer back to the general budget line in Budget Paper 5, concerning grants, the total Grants SA pool.

The Hon. J.M.A. LENSINK: Which page are you on?

Ms COOK: It is not very clear. Grants SA sits under the department, and the budget for 2018-19 is not identified in respect of grants compared with the budget in 2017-18. Have you got a grant pool that is allocated for Grants SA? I do not need it to be broken down, just a complete pool.

The Hon. J.M.A. LENSINK: The nub of your question is: what is the amount of funding for 2018-19?

Ms COOK: Yes.

The Hon. J.M.A. LENSINK: In relation to the funding through the Charitable and Social Welfare Fund for 2018-19, it is \$2.529 million and volunteers funding is \$250,000, so that is a total of \$2,779,000. Also, note that it does not include the multicultural grants round, which is no longer—

Ms COOK: That has moved to Department of the Premier and Cabinet.

The Hon. J.M.A. LENSINK: That is correct. Through machinery of government changes, that is now with the Department of the Premier and Cabinet.

Ms COOK: How does that total, obviously now excluding multicultural grants, compare with that in the previous financial year?

The Hon. J.M.A. LENSINK: My advice is that, apart from the component for multicultural, there has been no reduction from the previous year. Sometimes, grants are impacted by carryovers and recoveries from previous years, so that can mean the numbers are difficult to compare.

Ms COOK: With that, there has been a suspension of grants for around three months from March or April through to July; there was a suspension of the availability of grants. Has the money that was not announced or allowed for application been carried over into the next financial year? Will it be a once-off, or is it flattened out over the year? Has it been lost?

The Hon. J.M.A. LENSINK: The money has not been lost to the grants. The Charitable and Social Welfare Fund is an administered item and it will be available for grants into the future.

Ms COOK: Is the minister aware of any impact on the non-government or charitable sector with the withholding of the grants for the period of three to four months?

The Hon. J.M.A. LENSINK: The advice I have received is that there has not been. We have announced a round of the three types of grants.

Ms COOK: Yes, in July. It is just that they were not available, as they had previously been available, during the period post the change of government until July, so there were nearly four months.

The Hon. J.M.A. LENSINK: The advice of the department is that we are not aware that there was any impact. This particular program is a small grants program; it is not in relation to contracts for services, for instance. The department is more than happy to work through issues with any particular organisations that may have needed assistance.

Ms COOK: Most of these are innovation-type grants and small equipment.

The CHAIR: The member for King has a question.

Ms LUETHEN: I would like to also ask a question in relation to state grant payments on Budget Paper 4, Volume 3, page 109. Can the minister provide the committee with more information on the reinstatement of state grant payments to the South Australian Housing Trust?

The Hon. J.M.A. LENSINK: I think that is a matter for the next session.

The CHAIR: We are not quite there yet, member for King. Are there any further questions from the opposition on the Department of Human Services?

The Hon. J.M.A. LENSINK: It is 9.45, Mr Chairman.

The CHAIR: Yes. You had an opening statement, so I am prepared to allow a minute or two further on this, if you want, member for Hurtle Vale.

Ms COOK: In relation to the grants suspension, did the minister or her staff actively consult with the non-government sector prior to suspending grants for the period of around four months and after?

The Hon. J.M.A. LENSINK: My department advises me that the use of the word 'suspension' is not accurate. There were some machinery of government changes in relation to the multicultural grants that did take a bit of time to work through, as you would expect, because they involved staffing changes, changing financial lines and those sorts of matters.

Ms COOK: I understood the word 'suspension' was used on the web page, but I can follow that up, so sorry about the use of that word; shall we call it 'non-availability' of grants in that four-month period. Was there any consultation done prior to the grants that were usually available to very small organisations to purchase fridges, chairs and other essential equipment? Was there any consultation about what the effect might be? They are mostly churches and very small organisations.

The Hon. J.M.A. LENSINK: There may have been a slight delay with the opening of one of the grant rounds, but any organisations that had been particularly anticipating the small grants programs run through Grants SA, we are always available to discuss those with them.

The CHAIR: Thank you, minister. We will move now to the Housing Authority and affordable housing and questions relating to that topic.

Departmental Advisers:

Mr M. Buchan, Interim Chief Executive, SA Housing Authority, Department of Human Services.

Mr N. Symons, Acting Director, Finance, SA Housing Authority, Department of Human Services.

Ms S. Naidoo, General Manager, Customers and Services, SA Housing Authority, Department of Human Services.

Ms B. Hallsworth, General Manager, Strategy and Performance, SA Housing Authority, Department of Human Services.

The CHAIR: Minister, in relation to the Housing Authority and affordable housing, could you introduce your new advisers.

The Hon. J.M.A. LENSINK: To my right we have Michael Buchan, Interim Chief Executive of the Housing Authority. To my left we have Nick Symons, Acting Director of Finance. At the second table we have Suraya Naidoo, General Manager, Customers and Services, and Belinda Hallsworth, General Manager, Strategy and Performance. I do have an opening statement, Mr Chairman.

Safe, affordable and appropriate housing is essential to the wellbeing of individuals, families and the community as a whole. However, we know that the increasing cost of housing, together with the rising cost of living more generally, means that for some South Australians finding secure housing that meets their needs, and is affordable, is becoming increasingly difficult. Others are not able to find housing at all and become homeless or find shelter in emergency accommodation.

The challenges we face as we try to address housing supply in this state, including for some of our most vulnerable people, are becoming increasingly complex. These are changes that come as our financial viability is under pressure. We know that we need to better manage our state housing assets to respond to these challenges. Through the newly established South Australian Housing Authority, the state government is taking a fresh approach to tackling housing affordability and homelessness issues. This government will aim to create a more affordable and sustainable housing system in this state—a system where public housing is not an end solution or a destination but a step on a path to secure affordable housing in the market and a system that offers multiple pathways for South Australians to achieve housing stability.

On 1 July 2018, the South Australian Housing Trust commenced operating as a new authority in accordance with the government's 100-day plan. The parameters of the South Australian Housing Authority include a new focus as a whole-of-system enabler, a new structure to enable transparency, accountability and long-term planning, and a new model to develop a more sustainable business model. The new authority will operate as a responsive integrated agency that brings together service delivery and the project and asset functions of social housing, with customers at the centre of operations.

In a time when our financial viability is under pressure, we need to work collaboratively and innovatively to deliver solutions that are efficient and effective. The authority will play a key role in enabling and supporting a modern multiprovider housing system and in establishing an environment that promotes shared responsibility and ownership. An interim South Australian Housing Trust Board of Management has been appointed, and we are currently in the process of appointing a new board made up of people with the required skill sets to drive housing reform. Board members will work with industry providers, and most importantly communities and customers, to develop and drive much-needed reforms.

The creation of the authority presents an exciting opportunity to reset our relationship with stakeholders across the sector. We want to work more closely together with the sector to address the housing and homelessness challenges that we share. This will include strengthening and promoting better partnerships with our customers, communities, industry and providers to enable new thinking and real solutions.

The National Housing and Homelessness Agreement between the commonwealth and South Australian governments commenced on 1 July. This agreement provides funding certainty over five years for housing and homelessness services across the country. The National Housing and Homelessness Agreement seeks to improve access to affordable, safe and sustainable housing, including homelessness prevention and intervention, and to support social and economic participation. It totals \$1.5 billion per annum nationally, with South Australia's share being approximately \$540 million over five years.

In line with the agreement, the state government will be working in partnership with the housing and homelessness sectors to develop a new 10-year plan for the future of housing in South Australia. The strategy will be informed by our state's current and future demographic challenges and will identify gaps in housing supply and delivery. It will address the entire housing continuum, from crisis homelessness services through to stable social housing, affordable housing and the

general housing market. It will be codesigned with the sector and will include extensive engagement with all parts of the sector as well as the broader public. It will begin later this year.

With one in four women in Australia experiencing intimate partner violence, domestic violence is a widespread problem that affects the lives of individuals, destroys families and impacts the broader community. Keeping women and children safe from violence and improving emergency accommodation options for victims is a priority for this government. We are implementing a number of our commitments from the last election, including spending \$4 million on establishing 40 new emergency crisis accommodation beds; \$5 million in interest-free loans to non-government organisations to fund new domestic violence support housing, including renovations and capital upgrades; \$1.66 million over four years to extend the Women's Safety Services Domestic Violence Crisis hotline; and we have had a range of DV round tables. I think I will leave it at that at this stage. If anybody has any questions.

The CHAIR: Thank you. I might throw to the member for King to begin the questioning.

Ms LUETHEN: I refer to Budget Paper 4, Volume 3, page 109. Can the minister provide the committee with more information on the reinstatement of state grant payments to the South Australian Housing Trust?

The Hon. J.M.A. LENSINK: I thank the honourable member for her important question. The budget papers show that, in Treasury terms, the South Australian Housing Trust has a negative financial contribution to the government, which is in recognition of the fact that the Housing Trust is a recipient of grant funding through the state government. For budget presentation purposes, funds provided by the commonwealth to the state and then passed by the state to the South Australian Housing Trust are reported as state funds provided to the South Australian Housing Trust. Grant funding received in this way from the state government is composed of funds provided under the commonwealth National Housing and Homelessness Agreement as well as other state contributions.

The 2017-18 estimated result for state grant funding provided to the South Australian Housing Trust is \$257.3 million, which is higher than the 2017-18 budget by \$50.8 million, due primarily to the reinstatement of grants to the Housing Trust. The total state grant funding provided to the South Australian Housing Trust is budgeted to increase by \$77.2 million in 2018-19 compared with the 2017-18 estimated result.

This is primarily due to the transfer of homelessness services functions from the Department of Human Services to the South Australian Housing Trust, or the South Australian Housing Authority. The South Australian Housing Trust pays land tax on its property holdings; however, this is not included in the calculation of net contribution to the state government. Taking this into account, the net contribution to the South Australian Housing Trust from the state government is \$135.709 million.

If I could also provide some other information, I am advised that in 2007 the state government approved a financial viability strategy, which essentially involved increasing asset sales and applying the proceeds to repay the South Australian Housing Trust's debt, which was at that time around \$857 million. In 2013, the commonwealth government forgave \$320 million owed to the South Australian Housing Trust. The former government transferred the financial benefit of this debt forgiveness from the South Australian Housing Trust to the general government by reducing grant payments to the trust. Whilst the South Australian Housing Trust no longer needed to sell houses to pay off debts, sales were still required to offset the reduction in state funding.

The reduction in state funds associated with the debt forgiveness was originally scheduled to end in 2016-17; however, the previous government effectively continued this by reducing the South Australian Housing Trust's funding by \$70 million in 2017-18, which was \$50 million in the state budget and \$20 million as part of the Mid-Year Budget Review. This was reversed by the current government in June 2018.

Membership:

Mr Basham substituted for Mr Pederick.

Ms COOK: I refer to Budget Paper 5, page 177 and, broadly, the South Australian Housing Trust. In relation the \$50 million the minister has announced, which I have seen reported in the media today, will that money go directly to maintenance expenditure in Housing Trust properties?

The Hon. J.M.A. LENSINK: I might ask the acting chief executive to talk about how the \$50 million reinstatement works in a cash and operational sense in favour of the authority/trust.

Mr BUCHAN: Thank you, minister. Fundamentally, the \$50 million has enabled us to work through a new business model to determine and improve the financial viability of the South Australian Housing Trust moving forward. It creates flexibility for us. Under the previous financial modelling with the \$70 million having been withdrawn from the South Australian Housing Trust, we were likely to fall to cash balances that were less than \$30 million by the end of the 2018-19 financial year and, further, by 2023 fall into a negative cash balance under consistent and ongoing operations as they were.

The injection of cash effectively enables us to work through and consider a new financial viability strategy—a new business model—that moves us towards a more sustainable financial position, to think and work through the opportunities associated with addressing backlog maintenance and to continue to work on the redevelopment of our asset portfolios going forward.

Ms COOK: Just to clarify, minister, I understood the announcement to mean new money to be used, and the reference was around improving the maintenance undertakings of the trust. The \$50 million is not directly linked to maintenance? Is that what you are attesting?

The Hon. J.M.A. LENSINK: I can try to explain it in this way, and I will quickly get nudged if I head in the wrong direction. Under the previous arrangement, not having that amount of cash meant that the South Australian Housing Authority effectively had a hand tied behind its back. It was quite difficult, financially, to manage various operations. The reinstatement of this funding is not a specific allocation to a grant program as such, but it provides the authority with the flexibility to undertake a more strategic approach in terms of whether it is maintenance or redevelopment. It gives them more flexibility.

The new authority is going to be much more—the governance arrangements are quite changed. The board is going to be quite proactive in terms of approving developments going forward. I think those will come to me as the minister as well. It provides some headway for the authority to be able to redevelop without being hampered in terms of its activities going forward. I think we will see greater activity in that space.

Ms COOK: Just to clarify, the announcement today is giving the impression that there is an injection of \$50 million into direct maintenance and direct works. You are saying that the \$50 million is a broader strategic investment moving forward to change things up, as such.

The Hon. J.M.A. LENSINK: We have not actually determined how that is to be expended. It is not a particular grant program for a specific purpose. We will be working in partnership with the board to determine what projects there are going forward. As you would appreciate, there has been significant change, in terms of the restructure. We have an interim board. A number of those members are new, and we will be appointing permanent board members in due course as well, so it is an organisation that is itself undergoing a lot of change. Going forward, in partnership with the board and within the organisation, those decisions will be made.

Ms COOK: Can I clarify, minister—

The Hon. J.M.A. LENSINK: Could I just add that one of the important effects it has is that it means that we do not have to cut maintenance to fund things going forward because the cash position of the organisation is so much enhanced.

Ms COOK: That opens a new question: was there an agenda to cut maintenance?

The CHAIR: We are back to the original budget line highlighted by the member for Hurtle Vale in the first instance. We are still on that page, as I understand.

Ms COOK: I have not moved. We are just talking about the budget and the announcement.

The Hon. J.M.A. LENSINK: In relation to the position of the Housing Trust or the Housing Authority, I tabled a ministerial statement into the triennial review, I think in July—someone will

correct me if I am wrong. The previous financial situation of the organisation was such that three things took place under the previous administration: its funding was effectively provided back to general government revenue, maintenance was cut and properties were sold. That situation is no longer the case.

Ms COOK: So the \$50 million is not new expenditure authority?

The Hon. J.M.A. LENSINK: It is new to the organisation, but we cannot say at this stage how it is going to be expended because it is a new organisation and it has a board that has a significant governance role going forward, which means that they will make decisions that I think will come to me and therefore through me to cabinet. There are a few people in this space who will be making those decisions about how the funding is expended, but it certainly removes an impediment from the Housing Authority in terms of what it could and could not do.

Ms COOK: So it is new expenditure authority, but you cannot say yet what that is going to contain?

The Hon. J.M.A. LENSINK: I will just ask the acting CE to explain how this works.

Mr BUCHAN: For simplicity, it is best to imagine that the grants have effectively increased the cash balance that exists within the South Australian Housing Authority. The approved programs going forward were going to result in the Housing Authority entering into a negative cash position. It could not pay its bills. It would not be able to undertake those projects without additional cash being injected into the authority.

What the \$50 million does is provide room within our cash balances to enable us to do a couple of things: (1) to continue to maintain our existing expenditure across the forward estimates without falling into a negative cash balance (i.e., not being able to undertake that activity), and (2) have time to restructure our plan and work through the strategy associated with how we best manage our assets moving forward to ensure that we are meeting the needs of our customers in the right location with the right asset.

Ms COOK: I am still in the same section, just for clarification. Can the minister rule out any further increases to Housing Trust rents—I know you do not like to rule things out, minister—on top of what has already been announced across the forward estimates? I am specifically referring to the increases to the one-bedroom cottage flats and the bedsits. Can you rule out any further increases to those?

Ms LUETHEN: Point of order: does this relate to a specific budget line?

The CHAIR: Member, perhaps you could refer us back to the budget line that you first indicated.

Ms COOK: It is Budget Paper 5, page 177, the South Australian Housing Trust.

The CHAIR: Member for King, two-thirds of the way down the page you will find mention of this topic.

Ms COOK: Correct. You have announced increases in the budget from 19 per cent or 21 per cent up to 25 per cent and then there is a category increase that talks about moderate income, going up to 30 per cent of income. The remaining folk in Housing Trust pay 25 per cent of their household income. Can you rule out any further increases in rent over the forward estimates?

The Hon. J.M.A. LENSINK: I take it this is a similar question to the one the honourable member was getting at last time, which was, if I can paraphrase, and she will let me know whether or not I am correct: is there anything else in the budget that people are not aware of? No, we have been very transparent and very up-front about this process and have given people forewarning and time to adjust. There is nothing that is not contained within the budget papers in relation to that matter.

Ms COOK: What stakeholders and community groups did the minister or the department consult with ahead of the decision to increase Housing Trust rents?

The Hon. J.M.A. LENSINK: That was a decision for the cabinet through the budget process.

Ms COOK: Can you repeat that?

The Hon. J.M.A. LENSINK: That was a decision for cabinet through the budget process.

Ms COOK: So there was no consultation with any stakeholders or community groups ahead of these increases?

The Hon. J.M.A. LENSINK: My understanding is that that is not generally the practice.

Ms COOK: So it did not happen?

The Hon. J.M.A. LENSINK: That is my understanding.

Ms COOK: In terms of people who are now experiencing increases in their rent over the forward estimates, are there any options available for people who have hardship and are unable to pay those rent rises?

The Hon. J.M.A. LENSINK: I understand there is a general provision for hardship, which applies to everybody in a Housing Trust property and which can be accessed if that is a problem.

Ms COOK: In regard to moderate income, can the minister define what that actually is from a monetary point of view?

The Hon. J.M.A. LENSINK: I can advise that moderate income thresholds will be determined closer to the implementation date but will take into account the size of the household and focus on those households with incomes above the lowest 40 per cent of income earners.

Ms COOK: Which is? Do you know what the monetary value is? Is it \$40,000 a year, \$50,000 a year, \$25,000?

The Hon. J.M.A. LENSINK: It is a little bit difficult because it can be considered at a point in time. I think the example we gave in the budget papers was that a single person earning \$1,000 a week in public housing could potentially have their rent changed from \$250 to \$300, assuming that the market rent is above \$300. These things change over time, so it is a bit difficult to be definitive today about what that particular income might be.

Ms COOK: I understand that the budget reflects 500 to 1,000 homes being affected by this moderate income assertion, so there has been some modelling. Would that then be the \$1,000 per week you are talking about?

The Hon. J.M.A. LENSINK: My understanding is that the Housing Authority keeps a range of data on current tenants. The single person example is not the definitive person. We will be consulting with SACOSS and a range of stakeholders as we try to implement it because we think that consultation is important to shape it. We did not just want to come up with a particular number in a vacuum; we want to make sure that we actually consult on that so that we are informed by those outside of government who understand these things.

The CHAIR: The member for Florey has a question.

Ms BEDFORD: Thank you, and it is again on Budget Paper 5, page 177. With \$11 million annually being raised by rent increases and only \$9.6 million being spent through the National Housing and Homelessness Agreement, why is there a net reduction in state government investment in the social housing sector, especially at a time when so many South Australians are seeking food parcels and charity assistance?

The Hon. J.M.A. LENSINK: Sorry, could you repeat that because I do not think that the numbers that you have read out accord with what we have.

Ms BEDFORD: According to page 177, \$11 million is coming in from budget increases.

The Hon. J.M.A. LENSINK: That is not just from rent increases.

Ms BEDFORD: What is the rent increase and is there a net reduction through that? How is that going to affect people at a time when so many people are accessing charity and food parcels and having difficulty paying their bills?

The Hon. J.M.A. LENSINK: I can advise the honourable member that, in relation to the rent increases, that is expected to increase the income of the organisation by \$1.55 million, not the figure that she quoted.

Ms BEDFORD: Annually, right?

The Hon. J.M.A. LENSINK: Yes.

Ms BEDFORD: How are people in the situation that we are talking about—the single-bedroom flats, for instance—going to get any benefits from this budget when they are not going to receive anything back from the emergency services levy, for instance? These people are being hit with an increase but are not going to get anything back from the budget.

The Hon. J.M.A. LENSINK: This budget was very much about resetting the financial situation. I am not sure whether the honourable member was here before to hear the discussion in relation to the \$50 million that the Housing Authority will have access to that it did not previously. It has partly been about resetting the authority to make sure that it is sustainable because, if we do not have a sustainable organisation, then we are not able to continue to provide important housing services to people going forward. The authority was effectively in a situation where it was going to go broke.

These are modest increases in the scheme of things. There are a number of people, the majority of Housing Trust tenants, who are already paying 25 per cent. The policy across the board has been 25 per cent of household income or market rent, whichever is lower. There are a number of people in very comparable situations who are paying 25 per cent already.

Ms BEDFORD: So it was really necessary to put this into that sector of your public housing, absolutely no other way to work on sustainability rather than impact on these people at the very end.

The Hon. J.M.A. LENSINK: Well, there is a social equity issue. We have had some responses from some of our tenants. A number of the people who have called have not been in the scope of this particular policy. When it is explained to them that other people have not been paying 25 per cent of their household income, their expressed opinion to us has been that they think that is fair and reasonable.

Ms COOK: Continuing on page 177 of Budget Paper 5, I want to ask the minister about the social equity comment she just made. In respect to what you were saying, you believe in creating an 'us versus them' approach in the Housing Trust regarding the tenants, and you support the statement: 'Well, if they're not paying 25 per cent like me, they should be, so I don't really care what situation they fall into.' Do you think that is satisfactory?

The Hon. J.M.A. LENSINK: As one of your colleagues in the upper house says on a regular basis in question time, please do not put words in my mouth. I note that the former government implemented a similar policy in 2011. I am not sure whether the same arguments were raised by Labor members—

Ms COOK: I do not think that budget line is open.

The Hon. J.M.A. LENSINK: —in the estimates at that stage. The policy of the previous government that had always been expressed to me through briefings and the like was that it was 25 per cent of household income or market rent, whichever was lower. I would have to double-check, but I think that minimal issues have been raised by those who are within scope of this particular policy.

Ms COOK: These people are very vulnerable and at risk, minister. I expect that they would have great difficulty in being able to express this issue to you. That is what our job is; they are contacting us.

The Hon. J.M.A. LENSINK: With due respect, the most vulnerable people are living on the streets and cannot get into public housing. That is due to a range of policy decisions made by the former government. We want to provide as much assistance to as many people as possible, so to ask one group of people who are not paying what the expressed policy is to pay a little bit more so that we can provide more places to people who are living on the streets and in dangerous situations

is, we think, a pretty good outcome. That is why we are providing more crisis beds for people in the domestic violence space.

The CHAIR: Member for Hurtle Vale—

Ms COOK: Can I move on?

The CHAIR: No, I just want to say something from the chair. As I said to this committee yesterday and on Friday, this is an opportunity to ask questions of the minister, not to provide commentary. Member for Hurtle Vale.

Ms COOK: I will move on to Budget Paper 4, Volume 3, page 92, in relation to remote Aboriginal housing. Have you read the review the federal government completed in 2017 about the National Partnership Agreement on Remote Indigenous Housing? There was a recommendation that any future funding agreements be funded fifty-fifty by state and federal governments. Is this something the state government agrees with?

The Hon. J.M.A. LENSINK: I understand that the Treasury-to-Treasury negotiations are continuing, and that may well be part of where those negotiations are at. I have answered a number of questions in the Legislative Council in relation to remote housing to which I refer the honourable member.

Ms COOK: Is your position currently that the agreement should be funded fifty-fifty as per the recommendation?

The Hon. J.M.A. LENSINK: That would ultimately be a decision for cabinet.

Ms COOK: There was a recommendation that future funding agreements are a minimum of five years in length. Would that be something you would be prepared to agree with as well?

The Hon. J.M.A. LENSINK: These will be decisions of cabinet and intergovernment agreements going forward.

Ms COOK: In respect of Aboriginal remote housing, what is the percentage of houses currently deemed as overcrowded?

The Hon. J.M.A. LENSINK: I am advised that we do not have that specific statistic, so I will need to take that on notice.

Ms COOK: Could you add to that: if a problem is identified, how many remote Aboriginal housing builds would be required to alleviate that problem?

The Hon. J.M.A. LENSINK: Yes, I am happy to take that on notice as well.

Ms COOK: How much new funding is available in the budget for remote Aboriginal housing?

The Hon. J.M.A. LENSINK: The advice is that, because we have not settled negotiations with the commonwealth, that particular figure is not available in the budget at this stage.

Ms COOK: So there may be some but you do not have a figure as yet?

The Hon. J.M.A. LENSINK: I know what the figure is, but I do not think I am able to advise because those matters are subject to intergovernmental agreement and cabinet confidentiality at this stage. When we have settled an agreement, then we will be able to make an announcement.

Ms COOK: Have you met with the federal minister Nigel Scullion since the election?

The Hon. J.M.A. LENSINK: Yes.

Ms COOK: Did you meet with him by yourself?

The Hon. J.M.A. LENSINK: Do I need to?

Ms COOK: Well, I think so, but that is not the question. Did you meet with him by yourself?

The Hon. J.M.A. LENSINK: No, I did not meet with him by myself.

Ms COOK: Who was present?

The Hon. J.M.A. LENSINK: The Premier and some other advisers.

Ms COOK: So you have met with Nigel Scullion since the election.

The Hon. J.M.A. LENSINK: Correct, and this is all a matter of the public record in the Legislative Council *Hansard*.

Ms COOK: What date was that?

The Hon. J.M.A. LENSINK: I could not tell you off the top of my head, but if you like to read the Legislative Council *Hansard* it is in there.

Ms COOK: Are you trying to secure this next funding agreement with the same duration as the last one, and that was 10 years?

The Hon. J.M.A. LENSINK: That goes to questions of the negotiation and cabinet matters, which I am not able to comment on until we make an announcement.

Ms COOK: Did minister Scullion make an offer for the new funding agreement when you met with him?

The Hon. J.M.A. LENSINK: I do not think I can add to my previous answers. I have been questioned on this extensively in the Legislative Council, and I refer the honourable member to the *Hansard*. Surely you read the Legislative Council *Hansard*—you must.

Ms COOK: Has minister Scullion written to the South Australian government with a formal funding offer at this stage for the new partnership agreement?

The Hon. J.M.A. LENSINK: I would need to double-check that, but my understanding is that this matter is actually with the Treasury officials at this stage.

Ms COOK: Can I just jump back for the final little stretch to Budget Paper 5, page 177.

The CHAIR: In fact, it will not be a stretch, member for Hurtle Vale; it will probably be one question.

Ms COOK: Then I will refer to Budget Paper 5, page 108 at 4.3, the creation of the Housing Authority. What selection criteria did Mr Storkey fulfil and was the appointment of Mr Storkey decided before you were elected as minister?

The Hon. J.M.A. LENSINK: In answer to the second question, no. Mr Storkey brings extensive experience in executive management and the community housing sector, with a passion for accessible and affordable housing. Mr Storkey was appointed by the state government for a three-year term. He was selected for the role for his extensive experience in the housing sector, including his instrumental roles in establishing the Common Ground program in South Australia and the Credit Ombudsman of Australia regulating the mortgage brokerage industry.

Mr Storkey was also the CEO of HomeStart Finance, one of the most successful government mortgage lenders in the country. One of HomeStart's successes was its innovative Nunga Loan, a product that significantly raised Aboriginal home ownership levels in South Australia. Mr Storkey also has significant experience in the community housing sector and was previously the state manager, South Australia for Community Housing Limited.

The CHAIR: I advise the committee that, in accordance with the agreed timetable, the committee now stands suspended until 10.45am. The bells will ring for just two minutes prior to our recommencing.

Sitting suspended from 10:31 to 10:46.

Departmental Advisers:

Ms L. Boswell, Acting Chief Executive, Department of Human Services.

Mr A. Thompson, Chief Financial Officer, Finance and Business Services, Department of Human Services.

Mr N. Ashley, Acting Group Executive Director, Disability and Reform, Department of Human Services.

Ms N. Rogers, Director, Office of the Chief Executive, Department of Human Services.

Mr J. Young, Director, Strategy and Partnerships, Disability and Reform, Department of Human Services.

Mr G. Myers, Principal Coordinator, Strategic Projects, Office of the Chief Executive, Department of Human Services.

The CHAIR: Welcome back to the sitting of Estimates Committee A. I do not believe there is any change in committee members. Minister, we are now turning to questions in relation to disability services. Would you care to make an opening statement and introduce your advisers, please?

The Hon. J.M.A. LENSINK: Thank you, Mr Chairman. I think we have the same advisers we had previously for the 9 o'clock session with the exception of Nick Ashley, who is the Acting Group Executive Director, Disability and Reform, and Joe Young, who is the Director of Strategy and Partnerships, Disability and Reform. I do have some opening remarks.

The primary focus of the NDIS and disability services program in 2017-18 has been on achieving a safe and successful transition to the National Disability Insurance Scheme in South Australia. On 18 April 2018, the commonwealth and South Australia agreed on the bilateral agreement for the full scheme NDIS. From 2018-19, the state government will commit around \$750 million per annum to the NDIS. At full scheme, the NDIS will benefit around 30,000 people with disability, their families and loved ones. It is vital for these citizens, the economy and the taxpayers of South Australia that we get this right.

The previous government made the decision to withdraw from the direct provision of most disability services, given the transition to the NDIS. Our government, in opposition, made an election commitment to announce within our first 100 days a timetable for the transition of all disability services to the non-government sector, on which we have delivered. Child and Youth Services will become an employee-led mutual from October. Disability community services are being wound down as they are no longer required, and processes are underway for other areas of the business, including ASSIST Therapy Services and equipment services.

DHS is also working with Highgate Park residents who are interested in transitioning to community living. In addition, the state government is withdrawing from the provision of accommodation services. This will be done gradually and carefully. The first step is consultation with clients and their families, staff and the sector. This has now commenced.

In this time of great change in the disability arena, we remain clearly focused on service quality and standards, continuity for clients, retaining a skilled and experienced workforce, growing the capacity of the sector, expanding the not-for-profit sector and minimising risks. State services will continue to support clients until they transition, and my department is working closely with the National Disability Insurance Agency (NDIA) and the sector during this time.

This government also committed to reintroduce the Disability Inclusion Bill into parliament. I am very pleased that this was the first piece of legislation passed by the new parliament. The Marshall Liberal government is committed to ensuring all South Australians with disability have every opportunity to live a fulfilling life as equal members of our community and to maximise the benefits of the NDIS for South Australians.

The CHAIR: Thank you, minister. Questions, member for Hurtle Vale.

Ms COOK: I refer to Budget Paper 4, Volume 3, page 102, acknowledging that there is a significant decrease in FTEs eventuating from the migration of clients and service provision to the NDIS. Can the minister detail exactly where savings and efficiencies have been found with regard to FTEs?

The Hon. J.M.A. LENSINK: I will take advice on this, but I do not think it is an efficiency measure. The decrease in income, expenses and FTEs between the 2017-18 estimated result and the 2018-19 budget is primarily due to the transition of Child and Youth Services to non-government management as an employee mutual and the wind-down of services and functions associated with the transition to the NDIS.

Ms COOK: How many FTEs have transferred to alternative programs within the Department for Human Services?

The Hon. J.M.A. LENSINK: I will ask the acting CE if she can respond to that one.

Ms COOK: I have three questions in a row all about transfers. Shall I continue to direct them to the CE?

The Hon. J.M.A. LENSINK: Perhaps if we just respond to this one first.

Ms BOSWELL: We do not have a figure of transfer to alternative programs because we are regularly reshaping with the downsizing associated with the NDIS transition. For example, in the community services division we have set up some new areas where we are dealing with the NDIS payments and delivering services in a different way from previously. We also obviously have a number of people being managed in terms of case management looking for alternative work across government, and some people are out-placed in other government departments. It is a moving feast that actually changes almost every day at the moment because we are dynamically managing it.

Ms COOK: So some have gone to alternative agencies like the NDIA as well?

Ms BOSWELL: Yes. We actually have a whole group of people at the moment out-placed in the NDIA assisting with trying to get the transition through on time. We have about 68 staff that we are managing. We are using a managed workforce inside the agency and we have previously placed people in the NDIA who have now become NDIA staff. It is part of the arrangements originally which were under the first bilateral agreement, an agreement that they would take our staff first, and we have continued that into the new bilateral agreement in terms of the way we are operating.

Ms COOK: So to this point, in regard to that area, have there been any redundancies?

Ms BOSWELL: With specific redundancies, we have had some TVSPs in the area of nursing because in that area community nursing is one of the very few disability professions that is reducing, but at the moment I do not believe there have been any in other areas. I can check that for you though.

Ms COOK: I refer to Budget Paper 4, Volume 3, page 104, sub-program 4.3, which is around disability services and equipment. There appears to be a blowout in the figures. The budget projected the total number of equipment repair and maintenance requests completed as 4,300, yet the estimated result reads 7,392. Can the minister detail what this was a result of?

The Hon. J.M.A. LENSINK: I thank the honourable member for that question. As she is probably aware, South Australia was supposed to be at full transition by 1 July and it has been delayed, so we welcome the fact that some of our DSA staff are helping out the National Disability Insurance Agency. In relation to those two figures, the increase is because of the delay in the full scheme rollout.

Ms COOK: Now that there has been a projection of a significant decrease, do you believe that that will be the case, given that we are not anywhere near full rollout?

The Hon. J.M.A. LENSINK: Yes, we expect that that is the case.

Ms COOK: Can the minister provide any detail in regard to the plan to commence a market process to transfer commercial services of domiciliary equipment services to the non-government sector? That is on page 104 of Budget Paper 4, Volume 3, the same page.

The Hon. J.M.A. LENSINK: I might ask the acting CE to respond to that.

Ms BOSWELL: Yes, at the moment the start of that process is occurring in the way that it also occurred with ASSIST Therapy Services and, before that, Domiciliary Care Services. The way that works is that there is a joint committee between the Department of Treasury and Finance and

the Department of Human Services, and we prepare all the documents and do market sounding. We are looking at doing market sounding; it is about to commence, if it has not already commenced. It will commence shortly. For DES, we will commence in the new year. We have been looking at the Independent Living Centre as part of that process.

Ms COOK: Regarding the provision of maintenance and equipment for people with disabilities in South Australia, do you believe that the market has been sufficiently prepared and protected to transition?

Ms BOSWELL: Part of what we will be doing in the new year is a thorough process of speaking with the market, doing what we call a market sounding, doing the preparation we did for the last few transfers, ensuring that there is a set of criteria about the way staff can transition. We have made it a part of the criteria in the past that involve job offers and the number of staff going with the jobs.

Ms COOK: In reference to Budget Paper 4, Volume 3, page 107, the projected figure in the NDIS Reform Support program was 25,957 of NDIS participants with approved plans, but the estimated result was 18,460. Minister, can you explain this discrepancy with the figures in terms of how that has happened?

The Hon. J.M.A. LENSINK: I thank the honourable member for that question. Yes, the National Disability Insurance Agency is working to transition state and commonwealth clients and new participants; however, it has announced delays, which I have referred to. The government will ensure that clients continue to receive services they need until they transition to the NDIS. The NDIA should transition clients as quickly as possible so that they receive the full benefits of the NDIS. The Department of Human Services is working closely with service providers and the sector and will continue to provide support until the transition is complete.

The Department of Human Services is also working closely with the NDIA to try to address the delays, including staff, helping to approve access requests and being seconded to the agency, which we have referred to. The NDIS should deliver a better experience to participants thanks to recently announced improvements that will commence from October 2018. These include an additional 750 staff nationally over the next 12 months and targeted training of 6,000 planners and front-line staff to support the reform implementation. I hope that covers it.

Ms COOK: Minister, are you confident of a full rollout of NDIS by 31 December 2018?

The Hon. J.M.A. LENSINK: The goalposts have been moved on a number of occasions. My personal view is that the numbers that were projected were probably too ambitious. In hindsight, the planning process should have been made as appropriate as possible at the front end rather than have to review plans and so forth. A lot of people have not had a great experience through the transition, which is really quite sad because we want to make sure we have confidence in the scheme.

I am confident that in the long run it will be fantastic for people with disabilities. But particularly because this process is beyond my control, I am not going to try to project when they will or will not land, but I can assure you that I have raised this matter of delays with several federal ministers now. Particularly now we have had a change, I have raised this with many of them.

Ms COOK: Minister, do you have an arbitrary date in mind when you might reconsider the expectation of the rollout being completed so that the sector can have some assurance going forwards, because everyone is very unsure at the moment?

The Hon. J.M.A. LENSINK: Yes, I understand. The NDIS itself is a series of moving parts that move in different directions on a regular basis, so we do try to keep on top of that. I might see if our acting CE can add some comments to assist you.

Ms BOSWELL: I can advise that as of only last week the deputy CE of the NDIA was telling me that they expected to have everybody in by the end of this calendar year. We are scheduling for March next year. We have an agreement in place about the way that funding will work up until March next year, and NGOs have been advised of that. They have also been advised that we are continuing

to maintain funding until there is transition. In fact, we have built some indexation in to match what they would have got under the NDIA so that they are not missing out in that regard.

We have also put, as we said, a number of staff in to do it. We are doing work within the department to assist the agency to catch up. Because of the staff who have now gone over to the agency, as a managed workforce we understand that in the last few weeks the number of plans being approved each week has picked up. We are hoping that in the next week or so they will get up to the necessary approval rate they need to meet the deadline.

Ms COOK: In respect to supplementary payments and block-type payments that are being provided to non-government organisations, I am aware, as I am sure the minister is, that some are running out this month. There was a range of terms on which funding was provided at the end of the financial year going forward to different organisations. I am sure there was some maths behind it that I did not understand. How was the judgement made as to how much funding was provided to each organisation to continue their services pre the NDIS rollout of their clients?

The Hon. J.M.A. LENSINK: I will ask the acting CE to respond.

Ms BOSWELL: For the vast majority of block funding, they should have run till March, because that is the date that we added a bit extra in because we were not 100 per cent sure that they would hit the 31 December date. They should have all run till March because we believe that by then a full rollout should have occurred. The only funding that I can think of that completes in 31 December is actually SRF funding, which has been planned for quite some time, and we have been working very closely with the sector on that.

Ms COOK: How many people living with a disability currently who receive state services will not qualify for the NDIS? Can that be broken down by age, group, diagnosis?

Ms BOSWELL: We have only a very small number of people receiving disability services who have not qualified for the NDIS. In those cases, we are maintaining state continuity of support. There are of course separate services provided under the SA HACC program. That is a chronic health service, so it is a different thing. In terms of Disability SA clients, we know of only 18 as at 30 June who had not qualified since the start of the children's trial. It is a very, very small number, and we are maintaining continuity of support.

Ms COOK: Will anyone who was previously or is currently receiving HACC funding and does not qualify for the NDIS continue to receive the same level of service?

The Hon. J.M.A. LENSINK: Sorry, could I just clarify with the honourable member whether that was DHS Disability SA clients who do not qualify, or were you talking about HACC?

Ms COOK: I am asking about both.

The Hon. J.M.A. LENSINK: Both; okay. In relation to DHS Disability SA, there is the Continuity of Support Programme, and 18 people fall into that category. In relation to HACC clients, it is a bit more complicated; they can start entering the NDIS from 1 July. Many who fall into the HACC category have a level of impairment below the NDIS threshold. The impact of those is not known at this stage, so we will need to reconfigure that going forward as we become aware of which clients transition into NDIS and which do not.

Ms COOK: Does the guarantee under the bilateral agreement, that ineligible people will not be worse off under the new arrangements, still stand?

The Hon. J.M.A. LENSINK: My understanding is that under the previous bilateral agreement that particular commitment applied to the NDIS transition for Disability SA clients; it did not apply to the full scheme or people who were not Disability SA clients.

Ms COOK: What is the total number of South Australians who will transition to the NDIS? What is the estimate by the department?

The Hon. J.M.A. LENSINK: Thank you for that question. The number, which has often been quoted, is that 32,000 people are expected to become eligible by 30 June 2019.

Ms COOK: What was the number as of 1 July?

The Hon. J.M.A. LENSINK: The number of people who were in the scheme as at 30 June 2018 is in the performance indicators. The budget figure says 18,460. We have a figure here that is a slightly different measure, which is those who were deemed as eligible—so they do not have a plan—which is 29,467.

Ms COOK: But do not have plans?

The Hon. J.M.A. LENSINK: Correct.

Ms COOK: From a financial perspective, what is the delay of the NDIS rollout costing the Department of Human Services? Can that be quantified on a daily, monthly or annual basis?

The Hon. J.M.A. LENSINK: Our officers here are intimately across this issue, for obvious reasons, so I will ask them to respond.

Ms BOSWELL: I can let Mr Ashley answer if you want more detail. We reached an agreement with the commonwealth government that meant that we are deducting from our payments the cost of continuing to run services until people transition, so at the moment it is pretty well cost neutral. Regarding the amount that is in the budget, we are not paying everything over to the NDIA until they have actually transitioned.

Ms COOK: So the \$700 million plus change is getting money to come back?

Ms BOSWELL: Yes, they are paying us back.

Ms COOK: Is the minister aware of the level of underutilisation of NDIS plans currently? What can the minister say about that?

The Hon. J.M.A. LENSINK: It is about 55 per cent of plans, yes. I note the honourable member is surprised. It is not a great outcome for people. I think that nationally the figure is about 65 per cent. It is something that we have raised with the commonwealth. My personal view is that, within five to 10 years' time, when people are used to utilising plans and we have a much more robust market and so forth, we will see greater plan utilisation into the future. However, I think that is part of the factors. Obviously, we are keen that people are fully utilising their plan and working towards full independence, choice and control.

Ms COOK: I am sure the minister is aware of the range of dollar figures applied to plans. It is quite diverse, but if we were to pick a fairly comprehensive plan of \$100,000 and that plan was being underutilised—and we are looking at thousands of people—where is the money that is not being utilised per plan going?

The Hon. J.M.A. LENSINK: I might ask Ms Boswell whether she could provide some more comments.

Ms BOSWELL: In terms of the underutilisation of plans, it is something that the department and the minister have expressed considerable concern about. One of the reasons that our figure may be a little lower than the national average is that, at the moment, supported accommodation (which is usually fully utilised) and bigger plans have not yet transitioned fully, so they, as well as children, are possibly pushing it down, but also we are aware that rates are lower in regional areas, etc.

In terms of where the money is going, at the moment there is certainly money in the commonwealth going towards the Future Fund, but as well as that there is some money coming back to South Australia if it reaches a cash ceiling each month because we have negotiated that with the commonwealth as part of this year's transition.

Ms COOK: So the money that is underutilised, you are seeing a return to—

Ms BOSWELL: Not all of it. There is some money coming back for underutilisation. Some of it is certainly sitting with the commonwealth and they say that it is being put against Future Fund requirements for the scheme.

Ms COOK: In regard to that, would the minister consider that the money remaining with the commonwealth is then overinflating our contribution to NDIS?

The Hon. J.M.A. LENSINK: I can assure the honourable member that when we have Disability Reform Council meetings, which are meetings where the commonwealth, states and territories come together to talk about these issues, we have some very robust discussions.

Ms COOK: In respect of non-individualised items, and I give you the example of Auslan interpreters who are trained and utilised by organisations, how do organisations undertake the use of Auslan interpreters at public events if they are not funded for those because the payment of those needs to be applied to individuals? I am thinking about public events and the like.

The Hon. J.M.A. LENSINK: That is a very good question because I think the NDIS assumes that there is a market for all these things, and some services on an individual basis are much more complicated. As I mentioned before, there are a number of moving parts and a lot of issues relating to interfaces and how funding arrangements will be managed. Some of it is pretty straightforward, obviously, in terms of people's care arrangements and those sorts of things. This is one of the issues that we are in ongoing discussions with the commonwealth about, that is, how to manage those going forward.

Ms COOK: I refer to Budget Paper 4, Volume 3, page 106, supported accommodation services. In regard to clients and families who are residing in, supported by and connected to supported disability accommodation, has the department and/or the minister further communicated with individuals regarding the privatisation or outsourcing of this service since the first round of letters was issued?

The Hon. J.M.A. LENSINK: I thank the honourable member for her question, although I object to the term 'privatisation'. Clients, staff, employer associations and the non-government sector were informed from 26 June 2018, and continuity and quality of services for clients is one of our key objectives. We are expecting this transition to occur gradually within this current term of government. No immediate changes are planned and services will continue as usual for now. Before any changes are made, clients will be supported to make decisions about their future services. Clients will be able to stay in their current homes if they wish to.

Through consultation with staff and employer associations, this will be an important part of developing the plan for implementing the withdrawal of services. All stakeholders will have opportunities to ask questions, provide feedback and contribute. Consultation is occurring with clients, staff and the sector. The consultation will employ a variety of methods, including meetings, workshops and phone calls. The consultation process is designed to inform development of a transition strategy to outline options to gradually withdraw accommodation services, whilst upholding the other objectives.

I can also advise that, as part of the consultation process, the Department of Human Services has engaged the Australian Centre for Social Innovation to lead a two-month initial consultation process with clients and families to gain an understanding of client and family experiences within the existing service, their aspiration for future service delivery and the development of a framework that will support clients and families throughout future change. That commenced this month.

Ms COOK: In regard to the public corporation set up to oversee, what consultation did the minister undertake before dissolving that?

The Hon. J.M.A. LENSINK: The biggest consultation of all is to have it in your election platform, effectively, that we would provide a plan for what would take place with the existing government services. That is the ultimate test. I have also responded to this in the Legislative Council quite extensively.

The various stakeholders were ones that we talked to. From a family's and client's point of view, there certainly has been concern that those people who were living in group homes have not actually been asked about whether that is where they particularly want to be going forward. Obviously, the non-government sector has an active stakeholder organisation, and there was a range of other stakeholders as well, who we spoke to prior to the election and since. I did ponder for some time on the public corporation, and cabinet ultimately decided that it was not the best model going forward.

Ms COOK: The public corporation, it was not your decision but a cabinet decision to dissolve that?

The Hon. J.M.A. LENSINK: Yes.

Ms COOK: How long did Jackie Howard have left on her contract?

The Hon. J.M.A. LENSINK: That is not a matter I am familiar with because she was an employee of the public corporation. That is not a decision that I made.

Ms COOK: You do not have access to that information of how long she had left on her contract and how much it cost to pay her out?

The Hon. J.M.A. LENSINK: Well, it is not a decision that I make. Employees of the Department of Human Services, those issues are not mine to make either.

Ms COOK: In respect of the consultation, you stated that you consulted with residents prior to making the decision.

The Hon. J.M.A. LENSINK: I did not have access to residents, so, no, I was not able to speak to them. Some of them are non-verbal, so they are not in a position to be able to articulate what they want.

Ms COOK: The decision to move the residents from their current homes and under their current care arrangements was made without the resident being at the centre of the decision?

The Hon. J.M.A. LENSINK: You need to separate the resident's location from the resident's care because those are different matters. None of those decisions has been made and we want to actually ask people what their preference is going forward.

Ms COOK: I was under the impression that the residents who are affected in this particular type of accommodation were receiving care from state government employees.

The Hon. J.M.A. LENSINK: They are, but my understanding of the arrangements is that the housing and the care are separated. That has been the case for some time. The centre of the decision-making for this policy was really about choice and control for residents, which is at the heart of the NDIS. We believe that the best interests we need to serve are those of the residents. At the same time, we would like to ensure continuity of care, which goes to the existing staff.

There are a number of non-government providers in South Australia we would also like to see as part of those other two priorities and increase the capacity in the local sector. There is some concern, as the honourable member may be aware, that there are large interstate providers who are well resourced. We like what we have locally and, where possible, we would like to see that those providers are the ones who are part of all the processes going forward.

Ms COOK: Particularly with residents who have been subjected to the same arrangements in terms of accommodation, and then in relation to—and I am separating it—the care that is provided by the same carers for 25 years on some occasions, will the minister provide some guarantees to these people that she will advocate for them to receive care from the same people, particularly those who have volatile behavioural concerns?

The Hon. J.M.A. LENSINK: Continuity of care is something I have mentioned repeatedly in the other house and repeated today. We appreciate that there are some very longstanding relationships between people in group homes and their carers, and we respect that.

Ms COOK: Has the minister ensured that there is money in the budget to fully fund a disability advocate as committed to by the minister?

The Hon. J.M.A. LENSINK: I thank the honourable member for her question. I can advise that \$200,000 will be allocated out of existing Department of Human Services resources for the appointment of an independent disability advocate. The advocate will be appointed to sit within the Office of the Public Advocate to support the transition of South Australians with a disability to the NDIS.

The position will play a key role in collating evidence about how transition to the NDIS has progressed in South Australia and capturing any unintended systemic gaps as a result of the disability reform process. The disability advocate will work closely with the Public Advocate, the Department of Human Services, the National Disability Insurance Agency, community advocacy organisations and other key stakeholders. They will inform the development of future policy to ensure that people with a disability are supported under the NDIS.

Ms COOK: I may have missed it, but did you say when you expect the disability advocate to be in place?

The Hon. J.M.A. LENSINK: We are working through that with the Public Advocate, but we expect that it will be in the next couple of months.

Ms COOK: With respect to the goals and aspirations of people living with a disability, what have you put in place or what are you intending to put in place to ensure that there are jobs and outcomes available for those people moving forward, in particular setting a standard in public service, for example?

The Hon. J.M.A. LENSINK: I do not think I have a particular brief on this. Someone will poke me if they think I am going in the wrong direction. I know that the honourable member is well aware of the Disability Inclusion Act, and I pay tribute to my predecessors in that role. The Commissioner for Public Sector Employment was organised under the auspices of the Department of Human Services.

The Office for the Public Sector recently had an employment forum in relation to implementation and advocating for the direction in the Disability Inclusion Act. The forum's participants included a range of government departments, local government and so forth. At that event, Ms Erma Ranieri talked quite extensively about her vision for employing people with a disability, so I think that she is onto that one.

Ms HILDYARD: Can the minister report on the progress of the implementation of Changing Places across South Australia?

The Hon. J.M.A. LENSINK: I thank the honourable member for that question and her interest in Marveloos, as they are known. The first two grants for Changing Places partnerships, \$50,000 to the Adelaide Oval Stadium Management Authority and \$100,000 to the City of Adelaide, were finalised on 3 July 2018. I do not think I need to talk about carry forwards. Also, \$1.7 million has been committed to develop 15 Changing Places facilities and to purchase two Marveloos. The City of Adelaide one is in relation to James Place. Contracts with the City of Holdfast Bay, the City of Mount Gambier, the City of Victor Harbor, the City of Port Lincoln and the City of Whyalla will be progressed once councils have consulted with their local communities about the best locations for the facilities.

The Department of Human Services is conducting a process to give local councils and not-for-profit organisations the opportunity to apply for a Marveloo grant. Initial expressions of interest have been received from the City of Port Adelaide Enfield, the City of Port Lincoln and the Copper Coast Council. Councils and not-for-profits that have expressed an interest will be notified of the next stage in this process.

The CHAIR: The last question on this topic, member for Hurtle Vale.

Ms COOK: Very generous. Minister, how many disability COAGs or meetings of disability ministers have there been since you were elected and when was the last one?

The Hon. J.M.A. LENSINK: We have had one face-to-face meeting which, from memory, was on 30 April in Sydney. We have also had a telephone one, and if we can get the date before this session closes we will. There was to be another one planned soon but with the changes in Canberra, I am not sure—no, that is scheduled for later this year, I think.

Ms COOK: So there has been a delay. There is going to be one held but you are not presently advised as to when?

The Hon. J.M.A. LENSINK: Yes, it will be held this calendar year. I am advised that 27 July was the telephone one.

Ms COOK: One in person in April and one on the way?

The CHAIR: Member for Hurtle Vale, if the minister can just finish her response and then we will move on.

The Hon. J.M.A. LENSINK: That was it.

The CHAIR: Having reached the allotted time of 11.30am, I indicate that the committee will now move to questions relating to the Office for Women. We will just give the advisers a few moments to change places.

Departmental Advisers:

Ms L. Boswell, Acting Chief Executive, Department of Human Services.

Mr A. Thompson, Chief Financial Officer, Finance and Business Services, Department of Human Services.

Ms N. Rogers, Director, Office of the Chief Executive, Department of Human Services.

Mr G. Myers, Principal Coordinator, Strategic Projects, Office of the Chief Executive, Department of Human Services.

Ms F. Mort, Director, Office for Women.

The CHAIR: Minister, would you care to make an opening statement and introduce your advisers, please?

The Hon. J.M.A. LENSINK: Yes, thank you, Mr Chairman, I can advise that our two disability reform colleagues have not quite left the building, but they are no longer part of this session, but I would like to welcome Ms Fiona Mort, who is the Director of the Office for Women.

I will make just a brief opening statement if I may. I am pleased to be here today in my capacity as the Minister for Human Services to focus on the Status of Women program. While this government has been in office for only a short time we have made some significant achievements. Prior to the election, we released a comprehensive package to address domestic and family violence, and we are delivering on these commitments.

The 2018-19 state budget committed \$11.9 million over four years to a suite of positive measures to support women and children at risk, including:

- \$510,000 to support a statewide trial of a domestic violence disclosure scheme;
- \$624,000 over four years for the South Australian Coalition of Women's Domestic Violence Services; and
- \$150,000 for the development of a personal protection app linking at-risk women directly to police and domestic violence services.

We have committed to establishing safety hubs, strengthening legislation and ensuring that women have what they need in crisis situations. We also committed to hold a domestic violence round table within the first days of taking office. This commitment has been fulfilled, and we are continuing to roll out a series of round tables across regional South Australia.

These round tables are important forums where we are building partnerships, genuinely consulting and developing sustainable solutions that will deliver the best outcomes for this sector. I am also proud that on 4 October we will be hosting the COAG National Summit on Reducing Violence against Women and their Children.

The key outline from the summit will be the Fourth Action Plan, Turning the Corner, the final action plan under the National Plan to Reduce Violence against Women and their Children. The summit, which will include around 100 delegates, will feature panel sessions and interactive debates

and is the final sounding point and opportunity to consider feedback received through the comprehensive national consultation process for the development of the plan.

Of course, there is more to gender inequality than women's disproportionate experience of domestic, family and sexual violence. The fundamental disrespect of women in our society must be addressed. To have the most impact and address issues in a systematic, targeted way, we will develop a women's economic and leadership strategy. This will outline a range of ways we will work across government and the community to increase women's economic participation and leadership, particularly in positions of power where decisions are made.

I would also like to acknowledge the Women's Information Service, which is this year celebrating its 40th anniversary. WIS continues to provide a valued service to the women of South Australia and also to build its volunteer base and reach into the community. While this is a significant milestone, it is unfortunate that the need for such a service continues and that the issues women most often contact the service about—namely, health, safety and legal assistance—have not changed a great deal in the last 40 years, which tells us that we have more work to do for the women of this state. I am committed to addressing these and other issues for women in South Australia in this coming year.

Ms HILDYARD: Thank you, for that opening statement. Can you please elaborate on how your government specifically will improve the status of all South Australian women?

The CHAIR: Member for Reynell, could you reference a budget line, please?

Ms HILDYARD: It is relation to Budget Paper 4, Volume 3, page 97, and many of my questions are in relation to that.

The Hon. J.M.A. LENSINK: The government, through the Office for Women, is developing a women's economic and leadership strategy. Consultation with the business sector and other key stakeholders is critical, with a focus on small and medium enterprises, not-for-profits and larger corporates. Later in 2018, the Office for Women will convene a forum with SMEs, not-for-profits and corporate organisations to inform and develop the strategy.

The Premier's Council for Women will also be asked to provide advice on working with business and the barriers facing women. The Office for Women is also working with key partners to progress key issues for older women, building on work undertaken through the mature women's project. Focus is particularly on the economic empowerment of older women, working with employers and other organisations to promote the benefits of older women in the workplace and address discrimination.

In late 2018, the Office for Women will hold a round table with the South Australian members of the Australian delegation to the recent United Nations Commission on the Status of Women, along with representatives from regional women's organisations. This is likely to focus on using information technology to connect and support regional women. The Office for Women will also support the Department of Planning, Transport and Infrastructure to encourage women to nominate for election to local government. I am sure the honourable member is aware that the elections are taking place fairly soon.

The government will work to ensure continued support for women in the workplace, at home, in our institutions and in the public, which means more than ensuring mechanisms for women to make complaints about sexual harassment and assault, discrimination and sexism. We are working to change the cultures that allow these behaviours to prevail. I can go into range of other ways as well, but that is just a general introduction. If I could just correct the record, the COAG summit is 2 and 3 October, not 4 October.

Ms HILDYARD: The statement at the top of page 97 states:

The Status of Women program supports the full and equal participation of women in the social, political and economic life of the state. Priorities include addressing violence against women, equality for women in every aspect of life, and women's economic empowerment.

How does that statement and the vision that you have just articulated, with a focus on developing an economic and leadership strategy, accord with the fact that the government has 16 per cent representation of women in the House of Assembly, that is, four members out of 25?

The Hon. J.M.A. LENSINK: We have women in leadership roles. We are not backwards in coming forwards. I think women's representation in parliament generally needs to be improved. I have never shied away from that. I was asked about this by the ABC in the election campaign. I would like to see our numbers improve. All our members are chosen in the Liberal Party by a democratic process of members. That is a decision for those colleges.

Ms HILDYARD: Given our shared belief that there are equal numbers of men and women of merit who could enter politics, will the Liberal Party implement affirmative action to address the gross inequality of women's representation in this parliament?

The Hon. J.M.A. LENSINK: I do not think that is a question for this estimates committee. I think that is a matter you would need to put to our state director.

The CHAIR: In fact, I concur with that, minister. That is a question relating to policy rather than budget lines.

Ms HILDYARD: I guess I was very interested in the minister's personal vision to improve the status of South Australian women and in her comments about the need for an economic and leadership strategy. In the budget, there are words about the need to ensure that women can participate in political life, yet having four members out of 25 who are women in the House of Assembly is a sad indictment on any progress towards that strategy.

The CHAIR: As I said earlier today, I appreciate your comments, member for Reynell, but it is a time for questions rather than commentary from individual members. You have asked the minister a question.

The Hon. J.M.A. LENSINK: And I am happy to respond, too. Quite frankly, the question is much broader than the members of parliament. We can all be in a little goldfish bowl if we like, but the questions are much broader than that. There are, however, many South Australian women in this state with a greater range of issues than purely parliamentary representation.

Ms HILDYARD: Yes, indeed there are. The last government achieved 50 per cent representation of women on government boards and committees. How will the government maintain that?

The Hon. J.M.A. LENSINK: We do not have a mandated target. Clearly, every minister needs to be mindful when they come to cabinet, if that is where their appointments are made, that we want as much gender diversity as possible.

Ms HILDYARD: So you are leaving it up to ministers?

The Hon. J.M.A. LENSINK: There are not mandated targets, from my understanding of the new approach.

Ms HILDYARD: What plan does the government have to improve the representation of women in the private sector?

The Hon. J.M.A. LENSINK: I did refer to the economic participation, so they will be part of that process. However, some of this comes to responsibilities of the federal government as well. There used to be EOWA; it is now WGEA, Workplace Gender Equality Agency. They play a significant role in this space and keep track of the representation on Australian boards, and they also run an accreditation process. They do a huge amount of work in this space, which we think is very valuable to South Australia as well.

Ms HILDYARD: Do you support federal Labor's plan to publish the results of gender inequality in the workplace?

The Hon. J.M.A. LENSINK: I am actually not that familiar with Labor policy. I am pretty reluctant to endorse Labor policy of most natures, particularly if I have not seen it. Again, that is a question that is beyond the scope of this committee.

Ms HILDYARD: Coming back to the opening statement on page 97, what is your government's strategy to achieve equal pay?

The Hon. J.M.A. LENSINK: A number of those matters, I understand—someone will poke me if I am incorrect—relate to federal awards and are beyond the scope. Where it is relevant, we will consider it as part of the employment and leadership strategy.

Ms HILDYARD: Will the government commit to supporting the Big Steps Campaign for equal pay for early childhood educators?

The Hon. J.M.A. LENSINK: Is that a Labor campaign?

Ms HILDYARD: That is a campaign amongst childcare centres, unions, community, parents. It is a very broad-based campaign to achieve equal pay for early childhood educators.

The Hon. J.M.A. LENSINK: I think that is probably a question for the Treasurer, who has responsibility for industrial relations matters.

Ms HILDYARD: Have you advocated to him for your government to support that campaign?

The Hon. J.M.A. LENSINK: I do not think we have had a discussion on this particular issue.

Ms HILDYARD: How do you envisage achieving gender equality in sport?

The Hon. J.M.A. LENSINK: Of course, that is a matter for the Minister for Recreation and Sport, but I have some brief comments on this. This government supports the inclusion of women and girls in all sports. We appreciate that, across the board, participation in sport by women and girls is not equal to that of men and boys. Specifically, in South Australia—across nearly all metrics of sport participation, leadership, sponsorship, remuneration and media coverage—the engagement of women and girls is far from equal to that of men and boys. There is a significant commitment nationally and locally to address this imbalance.

My understanding is that the Office for Recreation, Sport and Racing and the Department of the Premier and Cabinet are currently seeking input from state sporting organisations and grassroots participation through a survey process to inform the future direction for women and girls in sport. I look forward to hearing about the results of the surveys, which I am told will close at the end of September.

Ms HILDYARD: How does the government's cut to the Female Facilities Program and to female participation grants accord with the statement on page 97, and I quote:

The Status of Women program supports the full and equal participation of women in the social, political and economic life of the state. Priorities include addressing violence against women, equality for women in every aspect of life, and women's economic empowerment.

The Hon. J.M.A. LENSINK: That specific budget line relates to—

Ms HILDYARD: It is on page 97 in the Status of Women papers.

The Hon. J.M.A. LENSINK: Yes, but you are asking me about a program that is not within this portfolio, so I would ask that you raise that with the relevant minister.

Ms HILDYARD: The program is absolutely about achieving gender equality in sport, so I am very interested in your views in relation to those cuts.

The Hon. J.M.A. LENSINK: I think you will find that the particular item that you are talking to is not in one of the budget lines that are open at the moment.

Ms HILDYARD: I have just quoted from page 97. I am very interested in your view, as the Minister for the Status of Women, on the cut to the Female Facilities Program and to female participation grants. Are you saying that that is not an issue that the Minister for the Status of Women would have any interest in or concern about?

The Hon. J.M.A. LENSINK: I am advising you that, as you would be well aware, that particular item is not under consideration in the estimates before us today. I would invite the honourable member to put that specifically to the minister responsible.

Ms HILDYARD: Minister, did you speak against the cut?

The Hon. J.M.A. LENSINK: That discussion is cabinet-in-confidence.

Ms HILDYARD: Do you support the cut?

The Hon. J.M.A. LENSINK: You have asked me the same question.

Ms HILDYARD: Do you support the cut, because I am referring again to the opening statement on page 97 that says that the Status of Women program is about supporting the full and equal participation of women in the social, political and economic life of the state. Priorities include, amongst other things, 'equality for women in every aspect of life'. I think the question about the cut to the Female Facilities Program and the female participation grant goes to the very heart of what your government espouses it intends to do in relation to improving the status of women here in South Australia, so I am very interested in your view. There are many clubs and state sporting organisations that are very interested in your view. They are hoping fervently that you might be a voice in the government that will stand up for equality in sport.

The Hon. J.M.A. LENSINK: I will give the member points for persistence, but she well knows that that particular program is not a line item that is before us in the committee today. If she has questions on that particular line item, she needs to put them to the relevant minister.

Ms HILDYARD: It is a question about the statement at the top of page 97.

The CHAIR: The member for Florey has a question.

Ms BEDFORD: I refer to Budget Paper 4, Volume 3, page 97. It will not surprise you that I am seeking some information about the coordination and promotion of a range of activities around the 40th anniversary of WIS and the 125th anniversary of women's suffrage in South Australia.

The Hon. J.M.A. LENSINK: I thank the honourable member for this question and commend her for her ongoing interest and very deep commitment to this particular celebration. As the honourable member knows, 18 December 2019 will mark the 125th anniversary of South Australian women's suffrage. The passage of the Adult Suffrage Bill on 18 December 1894 granted women the right to vote and also, for the first time anywhere in the world, to stand for parliament. I am not sure that we are allowed to say this anymore after we received evidence about Colorado.

The Office for Women is working with our joint parliamentary committee on initiatives to mark the anniversary and it made a presentation to the committee, which included a number of proposals. The Office for Women is developing a register of initiatives planned by community organisations and is engaged in talks with a range of organisations, particularly History SA, the State Library of South Australia, the Centre of Democracy and the Department for Education. We are encouraging all government agencies, non-government agencies, the private sector, as well as community organisations and individuals to consider ways in which their organisation could best acknowledge this important anniversary.

We celebrated the 40th anniversary of WIS on 10 July this year through a number of ways, including a reception at Government House for current WIS volunteers; the launch of 24 oral histories collected by the WIS history project volunteers; the release of an interactive e-timeline marking significant dates in WIS and South Australian history; a social media campaign; and honouring past and present staff and volunteers.

We offer our congratulations and thanks to the many women who have contributed to this pioneering service over its 40 years of service, which is an outstanding contribution. The WIS continues to be supported by a strong volunteer base and provides a number of volunteering opportunities, including a shopfront and phone room, Family Court support, an oral history project and a children's centre satellite program.

Ms BEDFORD: Are there any plans for statewide celebrations or commemorations around the 125th next year?

The Hon. J.M.A. LENSINK: That is something that we are looking into through social media and a range of other ways of engaging. I have written to all departmental heads, CEs, all the agencies, to encourage them to plan some events and encourage them to commemorate this important date. We have been reaching out across the state to as many organisations as possible to let them know and invite them to participate.

Ms HILDYARD: Minister, what role do you believe gender inequality plays in the prevalence of domestic violence?

The Hon. J.M.A. LENSINK: That is a very broad question. Clearly it is at the heart of it. I will try to remember what the former prime minister said. I cannot remember the quote, to be honest. It was a very effective quote. I will paraphrase him: gender inequality is at the heart of domestic violence but not all gender inequality leads to domestic violence. We clearly had a very compressive policy that we took to the last election, which we are very proud of—a significant injection of funding, which includes a range of measures, some \$11.9 million in funding over the forward estimates.

We have appointed an Assistant Minister for Domestic and Family Violence Prevention to ensure that we are continuing to keep the pressure on this issue. There is a new framework for the prevention of domestic, family and sexual violence, which includes the domestic and family violence election commitments as well as a host of other actions, and that is currently being developed. We have had a statewide round table, as the honourable member would be well aware, which was on 13 April and was well within the first 30 days.

We had a round table in the Riverland on 29 June, one in Mount Gambier on 14 September and we have others planned in Whyalla and Port Lincoln. We have provided peak funding for the Coalition of Women's Domestic Violence Services. We have also delivered the crisis line funding to enable Women's Safety Services to operate 24 hours a day. We are working on improving data collection and communication, and the Office for Women is leading a collaborative partnership to advance this work. The Office for Women is also exploring ways to make information, for example, from ANROWS and other research organisations more accessible to front-line workers.

The Housing Authority has commenced work on multiple enhancements to the Homeless to Homes system to improve data capture, including safety information. We are also working on rolling out safety hubs in regional South Australia, which has been very welcomed there. We will make funding available for the 40 new crisis accommodation beds for domestic violence, which is a 50 per cent increase on the crisis accommodation beds that we have at present. We will also provide \$5 million in interest-free loans. The government is undertaking a range of activities. The Attorney-General also has a range of initiatives in her portfolio. Multiple initiatives are happening at the same time, and we are all very proud of this package.

Mr PATTERSON: Minister, I refer to Budget Paper 4, Volume 3, page 97. Could you update us on the women's economic and leadership strategy to promote gender equality in public and private life and also help prevent—

Ms COOK: This question has been asked and answered.

Mr PATTERSON: No, this bit was not touched on. I would like to elaborate on that, thank you.

The CHAIR: Can I interrupt on a point of order. Every member of this committee has the opportunity, and will have the opportunity, to ask a question if they wish. The member for Morphett has the call.

Mr PATTERSON: Thank you—touching on how to help prevent violence against women—

The CHAIR: This is the first question from the government. Member for Morphett.

Mr PATTERSON: Thank you.

The Hon. J.M.A. LENSINK: I thank the honourable member for his question and for his interest in this area. The South Australian government, through the Office for Women, is developing a women's economic and leadership strategy. This will include a focus on older women, particularly relating to economic security and participation. Success will require buy-in from all stakeholders, not just from government, including industry, individual employers, key advocacy organisations and our state's educational institutions. The Office for Women will lead a forum to advance the development of this strategy later in 2018.

I will also ask the Premier's Council for Women for advice on working with business and the barriers facing women. In addition to the strategy, the South Australian government has committed to continue to work with stakeholders, such as the Workplace Gender Equality Agency, the national

body tasked with progressing gender equality in the workplace; ongoing funding for the South Australian Working Women's Centre; and specific skills training—for example, IT training sessions for older women, which have recently been held at the Women's Information Service.

Ms HILDYARD: Given, as you said, minister, that gender inequality is at the heart of domestic violence and that there is much evidence about the need for preventative programs that challenge gender stereotypes and focus on achieving gender equality, why is there no money whatsoever in the budget for the prevention of domestic violence?

The Hon. J.M.A. LENSINK: Prevention is everybody's problem, quite frankly—

Ms HILDYARD: So why is there no money in the budget for the prevention of domestic violence?

The Hon. J.M.A. LENSINK: I was actually trying to answer your question. I feel like I am back in the Legislative Council, where I am not allowed to answer questions because I keep being interrupted. Prevention is everybody's problem. It is particularly important that the focus is on men calling out men who say and do inappropriate things because we know that is a very important means of changing the culture on this issue.

We have created a specific role of Assistant Minister for Domestic and Family Violence Prevention; that speaks for itself. Every single time assistant minister Power and I visit a region, we receive attention in the media for our work on domestic and family violence prevention. That in itself sends a clear message that the government is committed to this important issue. Every action that everyone takes is important. People will read those stories in the media and we trust that will help them to understand this is something that a range of people in our community are committed to preventing, not just the government.

It is also at the heart of the White Ribbon approach. We have a number of White Ribbon Ambassadors in this parliament, including our honourable Chairman here today. It is a very important role that a number of members of parliament are taking on within their own communities. It is a primary prevention area. I can remember when the member for Florey and I, and probably some other members, would attend the domestic violence vigils on the steps of Parliament House when another woman had been murdered. It used to be a lonely place 10 or 15 years ago, but now when we hold those vigils they are attended by a range of members of parliament and it is better understood. All of those actions and all of that support that all of us provide to enhance the understanding of this matter are important.

It is also the work that we do with Our Watch, as I mentioned, White Ribbon Australia, the faith in community leaders, the role of the Equal Opportunity Commissioner in her work on respectful workplaces, and the work of the violence against women collaborations. It is a priority for absolutely everybody, both within this place and outside this place and, clearly, with the leadership role of a number of government agencies that are White Ribbon Ambassadors.

The CHAIR: I will allow one last question on this topic, member for Reynell.

Ms HILDYARD: Maybe two?

The CHAIR: No, one, member for Reynell.

Ms HILDYARD: Minister, your budget allocates funds for crisis accommodation. Who will provide support to women accessing this accommodation, and why are there no funds allocated for staff or other resourcing in relation to this accommodation?

The Hon. J.M.A. LENSINK: I think this is actually a question that needed to be addressed during the housing section.

Ms HILDYARD: No, this is in relation to the Budget Overview on page 17, your headline statement about domestic violence, which absolutely is an issue relating to the Status of Women.

The CHAIR: Could we just have the budget paper in the budget—

Ms HILDYARD: I refer to page 17 of the Budget Overview.

The Hon. J.M.A. LENSINK: I could dive under the desk, but I will save everyone from that spectacle. Regarding this particular initiative, we believe that, within housing, we will need to examine some of the spending that is made on alternatives to the crisis accommodation. In terms of where people are at with the crisis, there are currently 86 beds within the system. We are increasing that by 50 per cent, so 40 new ones. People are placed in hotels and motels once they are not able to access that crisis accommodation, which is a very expensive model compared with other models, and so it is anticipated that some of that funding may be able to provide that ongoing funding.

The CHAIR: I invite the member for Hurtle Vale to read the omnibus questions.

Ms COOK: The omnibus questions are as follows:

1. Will the minister provide a detailed breakdown of expenditure on consultants and contractors with a total estimated cost above \$10,000, engaged between 17 March 2018 and 30 June 2018 by all departments and agencies reporting to the minister, listing the name of the consultant, contractor or service supplier, the estimated total cost of the work, the work undertaken and the method of appointment?

2. Will the minister provide a detailed breakdown of the forecast expenditure on consultants and contractors with a total estimated cost above \$10,000 for the 2018-19 financial year to be engaged by all departments and agencies reporting to the minister, listing the name of the consultant, contractor or service supplier, cost, work undertaken and method of appointment?

3. For each department and agency for which the minister has responsibility:

- (a) How many FTEs were employed to provide communication and promotion activities in 2017-18 and what was their employment expense?
- (b) How many FTEs are budgeted to provide communication and promotion activities in 2018-19, 2019-20, 2020-21 and 2021-22, and what is their estimated employment expense?
- (c) The total cost of government-paid advertising, including campaigns, across all mediums in 2017-18 and budgeted cost for 2018-19.

4. For each grant program or fund the minister is responsible for please provide the following information for the 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 financial years:

- (a) the name of the program or fund;
- (b) the purpose of the program or fund;
- (c) balance of the grant program or fund;
- (d) budgeted (or actual) expenditure from the program or fund;
- (e) budgeted (or actual) payments into the program or fund;
- (f) carryovers into or from the program or fund;
- (g) details, including the value and beneficiary, of any commitments already made to be funded from the program or fund; and
- (h) whether the grant was subject to a grant agreement as required by Treasurer's Instructions 15.

5. For the period of 17 March 2018 and 30 June 2018, provide a breakdown of all grants paid by the department/agency that report to the minister, including when the payment was made to the recipient, and when the grant agreement was signed by both parties.

6. For each department and agency reporting to the minister:

- (a) the total number of FTEs in that department or agency;
- (b) the number of FTEs by division and/or business unit within the department or agency; and

- (c) the number of FTEs by classification in each division and/or business unit within the department or agency.
7. For each department and agency reporting to the minister, could you detail:
- (a) How much is allocated to be spent on targeted voluntary separation packages in 2018-19?
- (b) How many of the TVSPs are estimated to be funded?
- (c) What is the budget for TVSPs for financial years included in the forward estimates (by year), and how are these packages to be funded?
8. For each department or agency reporting to the minister in 2018-19 please provide the number of public servants broken down into headcount and FTEs that are (1) tenured and (2) on contract and, for each category, provide a breakdown of the number of (1) executives and (2) non-executives.
9. Between 30 June 2017 and 17 March 2018, will the minister list the job title and total employment cost of SA executive positions—(1) which has been abolished and (2) which has been created?
10. Between 17 March 2018 and 30 June 2018, will the minister list the job title and total employment cost of SA executive positions—(1) which has been abolished and (2) which has been created?
11. For each year of the forward estimates, please provide the name and budget for each individual program administered by or on behalf of all departments and agencies reporting to the minister.
12. For each year of the forward estimates, please provide the name and budgeted expenditure across the 2018-19, 2019-20, 2020-21, 2021-22 financial years for each individual investing expenditure project administered by or on behalf of all departments and agencies reporting to the minister.
13. For each department or agency reporting to the minister how many surplus employees are there at 30 June 2018 and for each surplus employee, what is the title or classification of employee and the total cost of the employee.

The CHAIR: Thank you. The committee will now move from the Office for Women to Volunteer Services.

Departmental Advisers:

Ms L. Boswell, Acting Chief Executive, Department of Human Services.

Mr A. Thompson, Chief Financial Officer, Finance and Business Services, Department of Human Services.

Ms N. Rogers, Director, Office of the Chief Executive, Department of Human Services.

Mr G. Myers, Principal Coordinator, Strategic Projects, Office of the Chief Executive, Department of Human Services.

Mr C. Karvountzis, Deputy Director, Community Services, Community and Support Services, Department of Human Services.

The CHAIR: Minister, would you like to make an opening statement in relation to Volunteer Services and indicate any change in advisers.

The Hon. J.M.A. LENSINK: Yes, thank you, Mr Chairman. Ms Fiona Mort has been relieved and I am pleased to welcome Mr Chris Karvountzis, the Deputy Director of Community Services, Community and Support Services.

I have a brief opening statement. This government is committed to supporting and building South Australian volunteers and encouraging the next generation of volunteers: young people, new retirees and people from all walks of life, to get involved and contribute.

Prior to the election in March 2018, we committed to abolishing all fees payable by volunteers for screenings to encourage people, including young people and retirees, to volunteer. I am pleased to advise that free screening checks for volunteers will commence on 1 November 2018. From this date, volunteers will be able to obtain child-related employment, disability services employment, aged-care sector, vulnerable person and general probative screenings at no cost to themselves or the organisation for which they are volunteering.

This is an important initiative that recognises and acknowledges our volunteers and removes a disincentive to volunteering. It will also reduce costs for volunteers and organisations. We have also committed to continue the WeDo app and to extend it to give recognition of the contribution made by employers. Participating employers will be able to use their support of volunteering to market their community contribution in promotions, annual reports and the like. I also acknowledge the excellent partnership work that has advanced under the Volunteering Strategy for South Australia 2014-20.

The government's continued support for the volunteering strategy is one part of our overall election commitments to volunteering. To this end, in May this year the government, through the Volunteering Strategy, co-hosted a highly successful workshop for teachers and educators, focusing on how to run a successful school-based volunteering program to improve student learning and wellbeing through volunteering. I would also like to note that, during 2017-18, 143 Premier's Certificates of Recognition for Outstanding Volunteer Service and over 1,000 South Australian volunteer Certificates of Appreciation were awarded.

The state Volunteers Day and Thank You event and presentation of South Australian volunteer awards held at the Adelaide Festival Centre over the June long weekend was a great event, with 1,800 volunteers attending and a very fine entertainment program through the Adelaide Cabaret Festival. I acknowledge the member for Hurtle Vale's attendance there. It was an honour to attend and to personally thank such a strong representation from our volunteer community. I would like to acknowledge all the wonderful work of our volunteering individuals and organisations.

The CHAIR: Thank you, minister. Member for Hurtle Vale.

Ms COOK: I refer to Budget Paper 4, Volume 3, page 95, the budget table there. Can the minister advise whether any of the reductions in FTEs on that table include anyone working on volunteer programs or within the Office for Volunteers?

The Hon. J.M.A. LENSINK: The advice I have received is that there has not been any reduction in that allocation.

Ms COOK: I refer to Budget Paper 4, Volume 3, page 94, regarding the Volunteering Strategy for South Australia 2014-20. Are any specific actions being undertaken by the Marshall government in regard to the continued development and implementation of this strategy for South Australia and its priorities?

The Hon. J.M.A. LENSINK: The continued support for the Volunteering Strategy is one part of our overall commitments to volunteering, which include reducing costs for volunteers by abolishing fees for volunteer screening checks, continued support for the WeDo app and expanding the app to provide recognition of the contribution made by employers, and continued support for the partnership that the honourable member referred to in the next stage of 2021-27. The key outcomes under the strategy in 2017-18 include:

- the piloting of a curriculum of giving to embed volunteering practices within the school curriculum at Ocean View College, Taperoo. Based on this pilot, a generic school volunteering program model is being developed to further promote the introduction of volunteering concepts and experiences into other schools;

- the launch of an online training module to support the implementation of the Guideline of the Commissioner for Public Sector Employment: Volunteers—best practice guidelines for the management of volunteers in the Public Service;
- the continuation of the quarterly public sector volunteer policy network to strategically support the effectiveness and experience of volunteers in the provision of public services; and
- the continued development of the WeDo app to better connect potential volunteers with volunteering opportunities across the community.

The partnership board has selected the following two priority areas that will inform the strategy's focus in 2018-19: firstly, volunteering as a pathway to youth engagement and, secondly, the role of volunteering in responding to regional economic issues.

A strategy workshop was held in April 2018, bringing together over 80 stakeholders from diverse sectors to scope actions around these priorities. The resulting four key themes were:

1. Curriculum and education: opportunities for school-based learning that can also be regional specific;
2. Data and evidence: better understanding young people's perspectives of volunteering, including in regions;
3. Communication: building better messages that resonate with young people, particularly around life experience and personal development benefits; and
4. Culture development: enhancing a culture that promotes new incentives for volunteering, new modes of engagement between stakeholders and diversity.

The partnership board is now considering the outcomes of the workshop and the next steps.

Ms COOK: Acknowledging the work that has been done around encouraging and continuing to support volunteers, I refer to Budget Paper 4, Volume 3. How many volunteers applied for screening during 2017-18?

The Hon. J.M.A. LENSINK: Just to confirm with the honourable member, how many volunteers applied for screening checks in 2017-18?

Ms COOK: Yes, in 2017-18.

The Hon. J.M.A. LENSINK: I can provide that to you and break it down by type. A total of 35,392 applications were approved; child related was 27,018; disability services was 2,136; vulnerable person related was 2,710; aged care was 2,726; and the general employment probability was 802.

Ms COOK: So, of the total of about 170,000 in the budget papers, only 35,000 were volunteer checks. Of the total screenings listed under DHS, 35,000 were actually volunteers; is that correct?

The Hon. J.M.A. LENSINK: The total number of screening applications for the financial year was 155,000, so about 23 per cent are for volunteers.

Ms COOK: What is the anticipated total number of volunteers that you think will apply in 2018-19?

The Hon. J.M.A. LENSINK: There is a slight differentiation in terms of definition. The numbers I have just provided for the honourable member relate to the number of applications approved versus the number of applications received.

Ms COOK: What is the difference in number between the applications and the approved applications? Perhaps do not break it down into different types. What is the total number of applications, and what is the total number of approved applications?

The Hon. J.M.A. LENSINK: For volunteers?

Ms COOK: For volunteers in 2017-18.

Mr THOMPSON: Just reading from the activity indicators in the budget paper in regard to the total number of screening applications received, the projection for 2018-19 is 170,000 and the estimated result is 169,156. The number the minister read out in relation to the number of applications actually approved in 2017-18 was 155,304.

Ms COOK: That is not broken down for volunteers?

Mr THOMPSON: The applications approved are, but I am not sure that we have the statistics on the applications actually received in the various categories for volunteers.

Ms COOK: I am looking for the number of volunteers who applied and who were approved in the last financial year and the anticipated numbers in 2018-19 and 2019-20, for example.

Mr THOMPSON: We may have to take it on notice, but we are checking. The number approved for volunteers in 2017-18 was 35,392. That was the 2017-18 number.

Ms COOK: I am happy for you to take it on notice.

The Hon. J.M.A. LENSINK: I think that the honourable member is trying to compare apples with apples; is that right?

Ms COOK: I am trying to.

The Hon. J.M.A. LENSINK: Yes, it is a little bit complicated, too, because there are people who have volunteer screenings who also have employment screenings. Some people have both.

Ms COOK: What budget have you allowed for the next financial year for free volunteer screenings?

The Hon. J.M.A. LENSINK: If I could refer the honourable member to Budget Paper 5, page 94, the figure in the budget of \$677,000 is provided in this financial year for that particular free screening initiative. It is worth noting that it clearly goes up in future years to account for what is anticipated to be the full-year effect plus potentially more volunteers in the system.

The CHAIR: Minister, do you have anything further to add?

The Hon. J.M.A. LENSINK: No, sorry.

The CHAIR: The member for Hurtle Vale.

Ms COOK: Will bringing the screening forward have an impact on the budget now with respect to its being a couple of months additional? Was that budgeted from 1 January?

The Hon. J.M.A. LENSINK: I will ask our financial guru to respond to that one.

Mr THOMPSON: It will potentially have an impact, and we will need to work through with Treasury in terms of that impact because what is listed there is a half-year effect, as you know, commencing 1 January. It commences early on 1 November. We will just need to work through it with Treasury.

Ms COOK: Is the budget you have worked out worked out at a \$60 per screening budget? Is that how it is anticipated? I guess it is difficult to answer the questions on this if you do not have an actual predicted number that is tight, because if that is worked out around \$25,000 it is very different from if it is worked out around \$35,000. There is quite a significant shortfall particularly over the forward estimates—in the millions of dollars.

The Hon. J.M.A. LENSINK: I think that we will need to take that on notice and see whether we can get you some more detail on that.

Ms COOK: Thank you. I will move on for a second. I refer to Budget Paper 4, program 1, page 94, and the WeDo app. Can you advise what your vision is regarding this app and what money has been put aside to support this moving forward?

The Hon. J.M.A. LENSINK: I thank the honourable member for her question. This government has continued the prior government's commitment to acknowledge and reward

volunteers through the WeDo app. Stage 3 of the full implementation of the app is currently underway and includes supporter packages being developed by Volunteering SA and NT to increase the variety of rewards available to volunteers using the app. The packages provide information to businesses on how they can benefit from providing rewards to volunteers to redeem through the app. Benefits to business noted in the supporter packages include:

- boost to brand recognition;
- reinforcement of brand positioning;
- improvement in product awareness;
- increase in sales through new customers;
- enhancement of corporate social responsibility; and
- recognition as a champion of volunteering.

That is some of the new functionality we are hoping to achieve through the WeDo app. My understanding of the current utilisation of the WeDo app is that it is quite useful. I mentioned in one of my responses about the focus on young people and that it is quite a useful tool for young people who are prospectively looking for work. It demonstrates a commitment to community service.

It probably has a role in terms of school students who want to get involved in community projects to be able to demonstrate their involvement in such things. It has quite useful functionality, I think, for young people, and obviously young people are a focus. We would love to get more young volunteers.

Could I perhaps just correct one of the statements in part of my response. In relation to the funding I may have said that it would take account of increases in future numbers. I think that our modelling has been based on existing numbers. I just want to make sure that I have not misled anyone on that.

Ms COOK: Sorry, that was in relation to—

The Hon. J.M.A. LENSINK: In relation to the \$677,000. I think I made some remarks along the lines that it would take account of future increases. As Andrew Thompson outlined, if we massively exceed the number expected, we will need to seek support from Treasury to cover that.

Ms COOK: We are back at the screening, obviously. In terms of the cost per year over the forward estimates, you are saying that it might not be adequately catered for.

The Hon. J.M.A. LENSINK: We do not know what we do not know at this stage; it is quite complex. Some people have multiple screenings, some are students and some have employment screenings. We have made provision because we want to fulfil the commitment to free screening for volunteers, but we are not entirely sure how that will be shaped going forward.

Ms COOK: Can you clarify whether modelling was done when you made the election commitment? What numbers was the modelling based on?

The Hon. J.M.A. LENSINK: I think Volunteering SA came up with a particular figure. I would need to double-check whether their figure is the same as this one, but they certainly had a figure in their election submissions to parties. I am not sure whether or not that is identical, but I think it was in the ballpark.

Ms COOK: Do you stand by the \$1.4 million approximate cost per year figure, which is estimated over the forward estimates for the screenings?

The Hon. J.M.A. LENSINK: I think it is pretty consistent that we have made a provision for the volunteering checks. We anticipate that a lot of that demand will be managed within that, and if there are any additional demands on the system we will work through it with Treasury. We will get back to you about the details of the modelling.

Ms COOK: I assume the department does not make any money out of volunteer screening, and that is why there is such a heavily reduced fee. Now that volunteer screenings are free, with

35,000 volunteer screenings at \$60 each, there would be a shortfall of at least \$2 million over the forward estimates, and \$2.1 million per year will be the program cost, not the \$1.4 million that you are estimating. If that number then increases to 50,000 per year, there will be a shortfall of \$9 million per year. Can you confirm those numbers?

The Hon. J.M.A. LENSINK: Would you like me to take that one on notice?

Ms COOK: Yes, and confirm that figure. It seems there would be a significant shortfall, given an increase in volunteer screening. As we said before, if free screenings for standard volunteering through SA Police do not continue, I would attest that tens of thousands of additional screenings would come to the department.

The Hon. J.M.A. LENSINK: We will see what we can get you.

Ms COOK: I refer to Budget Paper 4, Volume 3, page 95. There seems to be a reduction in grants and subsidies from 2017-18 to 2018-19. What is the anticipated reduction of grants for volunteers within that pool?

The Hon. J.M.A. LENSINK: The advice I have received is that the decrease in the 2018-19 budget for grants and subsidies is primarily due to once-off funding for the community infrastructure investment fund (CIIF) in 2017-18 and annual grant programs that are yet to be finalised, such as the APY lands funding provided through Aboriginal Affairs and Reconciliation.

Ms COOK: Still referring to Budget Paper 4, Volume 3, page 95, will the minister confirm the continuation of the Young Volunteer Scholarships program?

The Hon. J.M.A. LENSINK: My colleague is across this issue, so I might ask Ms Boswell if she could respond to that one.

Ms BOSWELL: This year, the volunteer partnership board, as the minister said, has a focus on promoting youth volunteering. I have agreed to go on the volunteer partnership board this year, and there will be a discussion about the types of youth programs that will be run as a result of that. Whether or not that changes from the past I think is an important discussion to have with the partnership board rather than just say that things will roll on, because they clearly have a focus and they want to look at what the future will be.

The CHAIR: That seems to be a particularly good segue into questions on youth services.

Ms COOK: I have one very quick question.

The CHAIR: We are past the allotted time.

The Hon. J.M.A. LENSINK: The acting CE wants to add something to the record, if she may.

Ms BOSWELL: It is actually adding something to the record on disability, if I may. I said that I would come back to the member with voluntary separation packages. In addition to the nurses, which I spoke about, there have also been three voluntary separation packages for domiciliary care staff and two for disability services officers, and they each have quite individual circumstances.

Ms COOK: Can I just ask quickly when the Premier's certificate for volunteering service round for 2019 will be open?

The CHAIR: You managed to get that one in.

Ms COOK: I am sure you would like to know. It is very important to the community.

The Hon. J.M.A. LENSINK: We can get back to you with that particular detail. In 2017-18, they were awarded in May 2018.

The CHAIR: Thank you, minister. For questions relating to youth services, will there be a change of advisers?

The Hon. J.M.A. LENSINK: Yes, there will.

Departmental Advisers:

Ms L. Boswell, Acting Chief Executive, Department of Human Services.

Mr A. Thompson, Chief Financial Officer, Finance and Business Services, Department of Human Services.

Mr M. Homden, Executive Director, Youth Justice, Department of Human Services.

Ms N. Rogers, Director, Office of the Chief Executive, Department of Human Services.

Mr G. Myers, Principal Coordinator, Strategic Projects, Office of the Chief Executive, Department of Human Services.

The CHAIR: Do you wish to make an opening statement, minister?

The Hon. J.M.A. LENSINK: We have returned Mr Michael Homden, who is the Executive Director of Youth Justice. It is a great privilege to be the minister responsible for youth services. Whilst most young people across South Australia are thriving and well supported by families, schools and communities, we know that others face challenges and disadvantage. This government's commitment to young people is clearly demonstrated through funding delivered in the 2018-19 budget, and I would like to highlight a few of those commitments.

On education, our commitments include \$15.5 million over four years for engagement and wellbeing programs, including early intervention approaches to address bullying, truancy and substance abuse. We have also committed \$20.9 million over four years in a comprehensive program to improve literacy and numeracy. A strong foundation in literacy is clearly vital to success in life.

We have committed \$202.6 million over four years to create an additional 20,800 apprenticeships and traineeships. We are providing \$109.8 million over five years in additional support for TAFE SA and \$274,000 over two years for a 12-month trial to expedite driver's licences for apprentices. An amount of \$1.3 million over four years has been committed to establish the Commissioner for Aboriginal Children and Young People and \$8.8 million over four years to extend foster and kinship support for young people up until 21 years of age.

Young people need and want jobs. They want better services and lower costs. As is clear, most of the government's dedicated investment in young people is in other portfolio areas. However, as Minister for Human Services, I and my agency will continue to identify priorities and strategies, build partnerships and collaborations and, importantly, listen to young people to ensure their voice is heard.

One of my priorities for the next four years is to develop a more sustainable approach to youth funding through the Department of Human Services. We will move away from annual youth strategies and frequent program and funding changes. We will build a planned approach to investment and look at where we can make the most impact. To this end, the Department of Human Services has begun scoping the development of a longer term youth strategy that will be codesigned with young people, the sector and key government agencies.

I will also build on our role as collaborators. We will strengthen our relationships with the many organisations and partners across our community who are passionate about improving opportunities for young people. We will work together to develop a shared long-term vision, and 2018-19 will be a year of transition in the youth services area. It will also be an exciting year, and I look forward to reporting back to the committee in 2019 on our progress.

The CHAIR: I invite questions. Member for Hurtle Vale.

Ms COOK: I refer to Budget Paper 4, Volume 3, page 94, and the Youth Safety Strategy. What youth stakeholders has the minister engaged with since the election to help inform the path forward?

The Hon. J.M.A. LENSINK: I refer to the Youth Safety Strategy. In 2016, the Youth Strategy for South Australia, Connected to YOUth, committed the former government to a multisector round table to explore collaborative opportunities for better supporting homeless young people or those at

risk of homelessness who may be vulnerable to relationship and family violence. The consultation process included cross-sector round tables and a youth engagement process in which 100 young people participated. These included secondary and tertiary students, international students, Aboriginal and Torres Strait Islander, refugee or migrant communities and young people with lived experience of violence.

The draft framework was made available for public consultation in late 2017, and the strategy was launched in February 2018 alongside the 2018 youth strategy, 'Your Future—Your Way'. The strategy addresses policy and service issues across three core areas: services (improved recognition and responses); systems (improved coordination and integration); and society (improved awareness through primary prevention initiatives.) The Office for Women and the Community Services Directorate are closely working together on this strategy.

We are also committed to a three-year youth strategy. Together with the member for Reynell, we attended a number of forums in the lead-up to the election where it was put to us by the youth sector that a longer term approach would be welcomed, rather than short-term initiatives, which has the capacity for real planning and thoughtful investment over a longer period. This is to be codesigned with the sector and young people, which will deliver a more strategic, sustainable and systemic approach and support coordinated for longer term investment towards the best possible outcomes for young South Australians. The Department of Human Services will work closely with YACSA, the peak body for the youth sector and young people, in this work.

Ms COOK: Who have you consulted with?

The Hon. J.M.A. LENSINK: The formal consultation on the strategy takes place through the department. I have a range of meetings with a range of stakeholders on a fairly regular basis, and the ones that come to mind include YACSA, which is related to not just this matter but a range of areas. There is the youth worker forum, which the member for Reynell is familiar with; she has attended that. There are youth homelessness services, St John's. There are a number of stakeholders that we have engaged with, but the formal engagement process—

Ms COOK: So there is more engagement at a departmental level; is that what you are saying? You have not met with those people.

The Hon. J.M.A. LENSINK: Yes, the department does that formal engagement. I meet with stakeholder groups on a regular and semiregular basis on a whole range of matters, including these as well.

Ms COOK: Are you able to give any particular details regarding whom you have met with and how often?

The Hon. J.M.A. LENSINK: I have provided a few examples. I would have to go back through my diary in detail to work out who absolutely everybody was. Even then, that is probably not actually the full list, because I have always said to them that they have my phone number if they ever need to ring me on particular issues.

In this portfolio area, there is a great deal of crossover as well. We have the housing portfolio and there are a number of youth organisations, so that prompts me to think that the Service to Youth Council is another organisation. I am not sure whether I mentioned St John's Youth Services. The member for Hurtle Vale and I were at the event that one of their staff members coordinated for Homelessness Week earlier this year. There is a range. Whether or not they tick the box of youth specifically and whether they are necessarily members of the YACSA, I could not tell you off the top of my head.

Ms COOK: In respect to Budget Paper 4, Volume 3, program 1, page 94, the three-year youth strategy, when does the minister expect that this youth strategy will be implemented? How much funding has been allocated to the implementation of the youth strategy?

The Hon. J.M.A. LENSINK: I thank the honourable member for that question. As I mentioned, we are looking less at the sort of short-term investment and strategy approach and more at the long-term strategy approach. In terms of what it will look like into the future, that is something that we are consulting on within the scope of current allocations. Yes, we will be able to provide more information on that as the strategy develops.

Ms COOK: Given the extensive consultation already undertaken by the Commissioner for Children and Young People, will that be a particular focus for you, minister, to work with that commissioner on the creation of the strategy moving forward?

The Hon. J.M.A. LENSINK: Yes, the commissioner is somebody else I have caught up with in the context of the Duke of Edinburgh Awards, I think it was. Everybody will be consulted. We want to make sure that it is a broad discussion that addresses a whole range of issues that young people raise with us. Certainly whenever any strategy is raised with me, I try to be mindful and look at the list of who has been consulted and ensure that it is as exhaustive as possible. I am quite confident that the commissioner is somebody who is on that list of people who will be consulted.

Ms COOK: In respect to Youth Justice, Budget Paper 4, Volume 3, page 100, minister, have you consulted or received any advice regarding the impact on young South Australians with the increased prosecution costs before the Magistrates Court? There is an increase in fees. Have you consulted or received advice about the impact on youth?

The Hon. J.M.A. LENSINK: I have to say that is not something that I am personally aware of; it rests with the Attorney-General and is one of her responsibilities.

Ms COOK: In terms of the imminent increase in costs for the courts system, will the minister undertake to engage with young people around the impact this will have?

The Hon. J.M.A. LENSINK: I am not sure that I understand the premise of your question, so I think I might have to refer that one to the Attorney-General.

Ms COOK: Will you come back to me with that?

The Hon. J.M.A. LENSINK: No, I think that is a matter for the Attorney-General.

Ms COOK: Regarding increases in the cost of living, and that being one of them for young people in Youth Justice and their families, is that not concerning to you?

The Hon. J.M.A. LENSINK: I think I have already outlined that I am not familiar with the matter the member is talking about so I cannot really comment.

Ms LUETHEN: I refer to Budget Paper 4, Volume 3, page 94. Can the minister please provide the committee with an update on the development of a three-year youth strategy?

The Hon. J.M.A. LENSINK: I thank the honourable member for this question. Since 2015, the department has released the annual Youth Strategy for South Australia. The strategy identifies priority areas for government focus and provides a platform for collaborative work. Informal feedback from the sector over the past few years has praised the practical approach and commitment to transparent action demonstrated through annual strategies. However, the allocation of funding through an annual youth strategy has predominantly been for short-term or one-off initiatives. This has limited the capacity for real planning and thoughtful investment over a longer period.

Going forward, we will be taking a different approach and developing a three-year youth strategy for South Australia that will be codesigned with the sector and young people. This will deliver a more strategic, sustainable and systemic approach, and will support coordinated and longer term investment towards the best possible outcomes for young South Australians. The Department of Human Services will work closely with YACSA, the peak body for the youth sector and young people in this work, and I look forward to updating the committee next year on what has been achieved.

Ms COOK: With respect to Budget Paper 5, page 91, what consultation did the minister undertake—

The Hon. J.M.A. LENSINK: Budget Paper 5?

Ms COOK: Yes; page 91, human services budget initiatives. What consultation did the minister undertake prior to the budget of Marni Wodli Youth Accommodation Services being cut?

The Hon. J.M.A. LENSINK: I thank the honourable member for her question. Marni Wodli is an Aboriginal youth homelessness service providing long-term transitional accommodation for young Aboriginal people who are homeless or at risk of homelessness. As noted in the budget papers, the state budget includes a budget measure that will provide savings of \$232,000 in 2018-19

and \$472,000 indexed thereafter from a restructure of Marni Wodli Youth Accommodation Services, which will be accompanied by a reduction in FTEs.

The advice I have received is that it is not optimal to have a separate, stand-alone Aboriginal youth homelessness service (which is what Marni Wodli is) located only in the metropolitan area and which sits outside the broader youth homelessness system. Aboriginal young people are best served by access to culturally appropriate connected homelessness services across South Australia than one stand-alone metropolitan service. The South Australian Housing Authority is currently developing a statewide Aboriginal housing and homelessness plan.

Funded homelessness services across South Australia are all required to provide culturally appropriate services for Aboriginal young people and support their transition into longer term housing. It is intended that the funds left after the implementation of this budget measure, which is approximately \$450,000 per annum, will be redirected appropriately to the non-government organisational sector, with the model and approach to be determined in consultation with the South Australian Housing Authority. There will be a transition to the new model in 2018-19. All current clients will continue to have a safe and secure place to reside during the transition of this service and any affected staff are being supported via the standard public sector processes.

Ms COOK: Was consultation done with the Aboriginal community to determine this?

The Hon. J.M.A. LENSINK: The new Housing Authority is working on a specific Aboriginal housing and homelessness strategy, which is going to provide a much more comprehensive approach to Aboriginal homelessness, including in the youth sector; going forward, the redeveloped model for Marni Wodli will be consistent with that.

Ms COOK: So the decision to cut the service was made before consultation was undertaken; is that correct?

The Hon. J.M.A. LENSINK: The advice that I have received is that this service was viewed as being a disconnected service. Going forward, we want to ensure that services are properly integrated and more planned, therefore the Aboriginal housing and homelessness strategy that is being developed through the Housing Authority, which is going to include the appropriate youth elements, will pick up any of those matters.

Ms COOK: Just to clarify, was the opinion that it was disconnected, etc., the opinion of the department staff or people working in that department or was it the opinion of the Aboriginal community?

The Hon. J.M.A. LENSINK: The department advised me that this was a disconnected service and we think that there are better ways of providing a similar service.

Ms COOK: So you cannot confirm or deny whether or not the Aboriginal community itself was consulted with about this decision?

The Hon. J.M.A. LENSINK: I think I have responded to this question.

Ms COOK: How many people who identify as Aboriginal or Torres Strait Islander work in the Department of Human Services?

The Hon. J.M.A. LENSINK: We have that figure, but we do not have it to hand.

Ms COOK: Will you take it on notice?

The Hon. J.M.A. LENSINK: We will take that one on notice and it will be recorded in our annual report.

Ms COOK: In regard to Budget Paper 4, Volume 3, page 99, can the minister inform us what the skills mix is working in Youth Justice, particularly front-line staff working out of youth training centres? Do you want me to expand on that?

The Hon. J.M.A. LENSINK: I invite Michael Homden to respond to that. He is the director responsible.

Mr HOMDEN: In relation to the staff who work in the Youth Justice sector, they come from a range of backgrounds, from a social work background, some from Correctional Services and a general base around youth support and youth development.

Ms COOK: In terms of FTEs in Youth Justice, they remain approximately the same from 2017-18 to 2018-19. Is there any explanation for any perceived need not to grow that sector, given the ongoing issue of youth recidivism?

Mr HOMDEN: The number of young people actually reduced. We have maintained a fairly stable workforce in that time, so we benefit from long-term experience and expertise.

Ms COOK: Has there been a consultation or a review regarding the approach moving forward to address youth recidivism in terms of identifying models of practice, such as increasing the focus on restorative justice or trauma-based approaches. What is happening in that space?

Mr HOMDEN: Yes, that is correct. Part of connected youth justice is to embrace all of that, so we have been working with partners across government. We are now going out with consultation across communities as well to ensure that we get the most up-to-date and contemporary practice in this area.

Ms COOK: In regard to young people presenting to Youth Justice programs, what is the strategy regarding young people who are non-binary in their identification?

Mr HOMDEN: There are a number of complexities that exist in the environment. Part of our broader strategies are around therapeutic interventions and programs that sustain development and through a case assessment process, where there is ongoing assessment for the needs of the young person and the child whilst they are with us. That leads on to further programs and case management after they leave us.

Ms COOK: If a young person presents to a Youth Justice program as non-binary and needs to spend time at the youth detention centre, for example, what process is gone through in terms of safe allocation of accommodation?

Mr HOMDEN: In terms of the ongoing assessment process, it is under a criminal justice mandate as well, and the court itself would look towards those sorts of release criteria and ongoing support for the individual.

The CHAIR: I remind the committee that we need to finish by 1 o'clock.

Ms COOK: I do not think I am getting the answer.

The CHAIR: Member for Hurtle Vale, this will be the final question.

Ms COOK: The final question—for goodness sake, what am I going to do? In regard to youth who identify as non-binary, there are particular risks associated with where they sleep at night, for example, but in regard to youth generally. If there is a Code Blue called in the city, what happens to a young person and their welfare should they present at a Code Blue situation?

The Hon. J.M.A. LENSINK: There are a range of non-government providers in this space. A Code Blue, in fact, is determined by the non-government sector, and it is something they agree to. I assume that particularly the youth providers would be quite mindful of those particular things. Safety is clearly one of the really critical issues for all homelessness service providers to take into consideration, regardless of what the potential safety risk might be for that individual. They all need to have that addressed somewhere in their policies. I think the question is actually for the Housing Authority in terms of their individual policies. I would be very surprised if we have operators in this space who are not mindful of those particular things as being important.

Ms COOK: I have one tiny little question.

The CHAIR: I am sorry, we have to finish at 1 o'clock. Having reached the allotted time, I declare the examination of the proposed payments for the portfolio of the Department of Human Services to be completed. Thank you, minister, and thank you, advisers. In accordance with the agreed timetable, the committee stands suspended until 2pm.

Sitting suspended from 13:00 to 14:00.

DEPARTMENT FOR ENVIRONMENT AND WATER, \$151,819,000
ADMINISTERED ITEMS FOR THE DEPARTMENT FOR ENVIRONMENT AND WATER,
\$28,157,000
DEPARTMENT FOR ENERGY AND MINING, \$371,702,000

Membership:

Dr Close substituted for Ms Hildyard.

Mr Brown substituted for Hon. J.W. Weatherill.

Minister:

Hon. D.J. Speirs, Minister for Environment and Water.

Departmental Advisers:

Mr J. Schutz, Chief Executive, Department for Environment and Water.

Mr S. O'Brien, Chief Financial Officer, Department for Environment and Water.

Mr B. Bruce, Group Executive Director, Water, Department for Environment and Water.

Ms S. Carruthers, Group Executive Director, Science and Information, People and Performance, Department for Environment and Water.

Mr M. Johnson, Group Executive Director, Economic and Sustainable Development, Department for Environment and Water.

Ms L. Hare, Acting Director, Office of the Chief Executive, Department for Environment and Water.

Mr A. Geytenbeek, Senior Management Accountant, Department for Environment and Water.

Dr J. Virtue, General Manager, Strategy Policy and Invasive Species, Department of Primary Industries and Regions.

The CHAIR: Welcome everybody to the reconvened committee A. Welcome, Minister for Environment. The estimates committees 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 proposed payments, which will facilitate a change of departmental advisers. Can the minister and the lead speaker for the opposition confirm that the timetable for today's proceedings, as previously distributed, is accurate?

The Hon. D.J. SPEIRS: Yes.

Ms COOK: Yes.

The CHAIR: Thank you. Changes to committee membership will be noted as they occur. Members should ensure the Chair is provided with a completed request to be discharged form. I can advise that the members for Reynell and Cheltenham have left us and have been replaced by the members for Port Adelaide and Playford. If the minister undertakes to supply information at a later date, it must be submitted to the committee secretary by no later than Friday 26 October 2018. 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, should it occur that way. 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 budget papers and must be identifiable or referenced. Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion in the assembly *Notice Paper*. I remind the opposition that at some point this afternoon we will need to read in the omnibus questions, and that will take you about four minutes; is that right, member for Hurtle Vale?

Ms COOK: Yes, I think so.

The CHAIR: There is no formal facility for the tabling of documents before the committee; however, documents can be supplied to the Chair for distribution to the committee. The incorporation of material in *Hansard* is permitted on the same basis as applies in the house; that is, it is purely statistical 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.

The committee's examinations will be broadcast in the same manner as sittings of the house are broadcast, through the IPTV system within Parliament House and via the web stream linked to the internet. I will now proceed to open the following lines for examination: the portfolios are the Department for Environment and Water, the minister being the Minister for Environment and Water, and the Department for Energy and Mining. I declare the proposed payments open for examination and refer members to the Agency Statements in Volume 2. I call on the minister to make an opening statement, if he wishes, and introduce his advisers.

The Hon. D.J. SPEIRS: I would like to take the opportunity to make an opening statement and also to introduce the departmental advisers who are assisting me here today. On my immediate left is Mr John Schutz, who has recently been appointed as Chief Executive of the Department for Environment and Water. I would like to take this opportunity to publicly congratulate Mr Schutz on his appointment to this position, and I look forward to working with him during my time as minister.

On Mr Schutz's left is Mr Shaun O'Brien, the Chief Financial Officer of the department. I am also joined on my right by Mr Ben Bruce, the Group Executive Director, Water, in the department. After this, I will not give the order of where people are sitting because I will make a mistake. I also have Sandy Carruthers, Group Executive Director, Science and Information, People and Performance; Matt Johnson, Group Executive Director, Economic and Sustainable Development; Lynne Hare, Acting Director, Office of the Chief Executive; and Andrew Geytenbeek, Senior Management Accountant within the department.

We are also joined today by Dr John Virtue, General Manager, Strategy, Policy and Invasive Species, within the Department of Primary Industries and Regions, recognising the crossover between the two portfolios. I will give the opposition time during my opening statement to reflect on whether they want Dr Virtue to remain here because they may or may not have questions that cover the biosecurity element of my portfolio. Of course, it is always better to allow these staff to head off and do things that they would probably rather be doing. I will come back to you before we start formally about Dr Virtue remaining here.

I would like to thank the team here with me, as well as staff from the Department for Environment and Water, who have put in the significant time and effort required to prepare the budget as well as the briefings used for estimates. This is no small task, and I commend the agency for their hard work and dedication. When it comes to our environment, it is certainly my view that large sections of this portfolio should be seen in a bipartisan political manner. I look forward to working with the shadow minister and the members of the opposition during my time as the minister as we try to get the very best outcomes for our natural environment in South Australia.

The 2018-19 budget is focused on delivering strong, practical outcomes for the environment and the people of our state. Through the Agency Statements, there is a renewed focus on coastal protection and national parks as well as ongoing funding for the critical core business of the department in key areas such as the River Murray, water management, heritage places and wildlife management. There are also key measures for environmental protection and conservation in this budget, which I believe will leave a legacy for this state, including \$27.7 million of new funding to key environmental programs that will see real, lasting benefits for our state's environment.

We are extremely fortunate here in South Australia to have the ability to access a vast area of national parks and recreational spaces. This provides both residents and tourists with the ability to experience the best of South Australia's natural environment. Our government is committed to investing in our national and conservation parks and other reserve areas to protect the best of our natural heritage and unique flora and fauna. The primary purpose of our parks may be the protection of biodiversity but they also deliver invaluable economic, social, cultural and health benefits.

For that reason, \$10 million over four years has been provided to create the new Glenthorne national park in Adelaide's southern suburbs. I have said previously in this house that we should not underestimate the significant environmental legacy that this project can and will leave South Australia. Individual conservation parks by themselves are valuable, but the concept of a nature corridor extending from the Hills to the coast and encompassing 1,500 hectares of open space will be an incredible asset to residents not only in the southern suburbs but also in the broader South Australian community.

The government is also investing \$2.9 million to undertake crucial preservation works at the Waterfall Gully Summit Trail, South Australia's premier walking trail. This work continues on from the previous government's commitments and is important to make the trail more sustainable for future use as visitor numbers continue to grow. We are increasing the number of park rangers serving our national parks, conservation parks and wilderness areas, with an allocation of almost \$7.5 million over four years to employ additional rangers. The budget recognises the importance of our state's heritage places and the important role that heritage plays in our state's tourism capability. As such, the budget includes \$1 million for heritage grants and restoration works at Ayers House.

The budget provides a coordinated and structured approach to tackling our changing climate. The government has a strong commitment to reducing emissions and building a more resilient landscape and community. We will spend \$500,000 on the development of a practical, action-focused, cross-government climate change strategy, getting all government departments to pitch in and identify areas where they believe that they can implement a more targeted approach to climate change within government. This work will be undertaken by the Premier's Climate Change Council with assistance from the Department for Environment and Water. Other practical initiatives to manage the impacts of climate change include:

- \$5.2 million towards coastal protection, the front line in the defence against climate change;
- \$2 million for Greener Neighbourhoods; and
- our urban water management and blue carbon initiative.

While I have taken the opportunity to outline many of the new initiatives and budget changes in my introductory remarks today, it would be remiss of me not to highlight that a whole raft of other programs that benefit the state's environment will continue to be funded and supported by this government.

I will always give credit where credit is due in the delivery of my portfolio. There are many programs and initiatives which were commenced under the previous government and which I seek to develop and continue to support. Whether it is through estimates or through answers to this house or in the public arena, I will always acknowledge that effort when those programs were commenced under another administration. These programs include:

- the state's prescribed burning program on both public and private lands to reduce the threat of bushfire and promote ecological benefits;
- a large range of programs to benefit the health of the River Murray and delivery of the basin plan and management of many of the state's other water resources;
- managing the state's iconic tourism sites and the Botanic Gardens of Adelaide;
- promoting ecotourism opportunities in national parks; and
- continuing animal welfare initiatives.

All of this good work will continue for the benefit of South Australians. When a new government is elected, it is important to acknowledge what has gone on in the past, and much of the work of the Department for Environment and Water will be built on a long history of heritage and environmental protection within South Australia.

However, when I became the minister, there were some areas I wanted to shift in priority and focus. I made it clear in my first meeting with the acting chief executive (who, as I mentioned earlier, is no longer acting) that I wanted the department, where possible, to practically seek to reduce unnecessary expenditure in areas such as taxi use, pot plant maintenance costs and the number of credit cards or purchase cards.

I was very aware that I had made somewhat of a fuss about this when I was the shadow minister, and we needed to follow through with action when I became the minister. We did not take an over-the-top approach to this. Careful consideration was always given to how these efficiencies would be delivered, and I think it is important that careful consideration be given when administering the use of public funds by the government of the day.

Based on the information I have been provided, there has been a 25 per cent drop in pot plant expenditure and the number of purchase cards was reduced by 23 per cent since April of this year. Further, there has been a 13 per cent reduction in monthly taxi costs across the year, with a further tightening of the policy since April. I will continue to challenge the department to ensure that these items are kept as low as possible to minimise waste, and I am pleased that the leadership of the department has come on board with this new focus.

In closing, I want to briefly mention the change in focus that I have sought to reposition the department from a department which communicates and tells people what it is doing in the South Australian community to one which engages with the South Australian community in a highly authentic and genuine way. Many people would know that prior to my entering parliament I was involved in developing the state government's engagement strategy and strongly wanted my department, when I became the minister, to undertake an engagement-focused foundation to its administration.

Since becoming minister, I have sought some significant reductions from the department in advertising spending within the administration, something that is borne out in the figures which we may or may not go through later today. I have, however, asked that the department focus some of these resources on meaningful engagement opportunities to develop partnerships and to bring South Australians along on the journey of high quality environmental protection and natural resources management.

We have sought to undergo a thorough and detailed process to bring communities along on the journey with our new government's policymaking, particularly in relation to natural resources management, which provides a good case study of this shift away from communication towards engagement. So far, our government has spent around \$150,000 on a very detailed community engagement strategy to connect with communities across our state in the delivery of Landscape South Australia, our new natural resources management framework. Again, I am happy to update the house on more of that communication versus engagement focus that we will be taking into the future.

This is the short synopsis on the strong and practical budget that we have put in place for the Department for Environment and Water. I would once again like to express my appreciation to all the staff who have been involved in preparing this budget.

The CHAIR: Lead speaker for the opposition, would you care to make a statement?

Dr CLOSE: I have no opening statement.

The CHAIR: Have you given some consideration to the minister's question relating to biosecurity questions?

Dr CLOSE: Yes, about Dr Virtue?

The CHAIR: Yes.

Dr CLOSE: Yes, I have. I have one question about biosecurity so, although it is not sitting with the others that I was going to ask about NRM, I can bring that forward in order to release Dr Virtue.

The CHAIR: Are you happy with that, minister?

The Hon. D.J. SPEIRS: I am more than happy. It is up to the deputy leader.

Dr CLOSE: The reference is to the NRM line, which is in Budget Paper 4, Volume 2, page 163, sub-program 1.1. My question is around the NRM program but specifically with reference to biosecurity on Kangaroo Island. As part of the Natural Resources Committee, I and another member of this committee went to Kangaroo Island and heard that biosecurity is one of the pressing issues for the NRM board but one that they find difficult to fit grant programs, particularly from the commonwealth.

I would like your views on ways in which, within the budget expenditure here before us, you might seek to allow the Kangaroo Island NRM Board to concentrate a bit more on biosecurity in the way they would like to. There is, of course, the particular issue of the proposal to have a port on the north of the island and an aquaculture program, a project they feel threatens their biosecurity.

The Hon. D.J. SPEIRS: I might make some initial comments and then I would not mind asking Dr Virtue if he has anything else to add, if he would like to come up to the front. I, too, have been to Kangaroo Island relatively recently and got to meet the biosecurity program officer who has been employed under the NRM Board and is clearly doing very significant work. I understand they have developed a biosecurity plan. The NRM Board have done that in partnership with others. Dr Virtue might be able to give us more details.

It is fair to say that in a discrete community such as Kangaroo Island often it is easier, in some ways, to manage some environmental issues because we have the sea as a boundary between the mainland, and that can provide us with particular protection against biosecurity. That means that the preservation of biosecurity is ever more important when you have an area which might have a higher overall standard of biosecurity than other parts of mainland South Australia. It was good to meet their biosecurity officer. He had been involved in a program to eradicate cats on Kangaroo Island, and he showed me where they are installing the cat-proof fence. You probably saw it during your trip—

Dr CLOSE: Yes, we saw that as well.

The Hon. D.J. SPEIRS: —along the small slither of land that connects the Dudley Peninsula to the mainland. Those are the sorts of practical programs that I think we can make some really good headway with on Kangaroo Island; the cat program is one. They recently had a strange celebration when they killed the last goat on Kangaroo Island. Feral pigs is another area we are very keen to look at. Obviously, with an increased number of cruise ships coming to Kangaroo Island and, as you mentioned, the port, which I think is controversially proposed for the Smith Bay site, it presents a new threat, as does all marine traffic and increasing marine traffic in a place like Kangaroo Island, bringing in potential marine pests that are attached to the hulls of ships.

I will ask Dr Virtue to provide any more feedback on that, but I will conclude my remarks by saying that biosecurity is something that I know my colleague minister Whetstone raises regularly and it is definitely a priority for the government. It seems to be more of a priority these days for the federal government as well, and there is an opportunity to potentially gain some funding from federal sources to advance our biosecurity needs in South Australia. I will hand over to Dr Virtue to see if he has any specific remarks about Kangaroo Island and what we can do there.

Dr VIRTUE: Thank you, minister, you have covered most of the issues. Certainly, Kangaroo Island has been a world leader in terms of eradication of feral goats and feral deer, and we should be very proud of that success. There is a good working relationship between Biosecurity South Australia and both the Department for Environment and Water and the Kangaroo Island NRM Board in the field of biosecurity, and they have been fantastic in terms of developing their biosecurity strategy.

We cooperate in areas of policy, such as in the plant health space where you have movement of potatoes or bee or honey products. We certainly collaborate in terms of providing weed technical

advice, and we are involved in providing technical advice into the feral cat program as well. As the minister alluded to, there have been a lot of opportunities coming from the federal government in terms of biosecurity funding and we will continue to look for that. From my aspect, I can also look and see what opportunities come up in terms of further investment there but, essentially, it is a strong working relationship. We fully recognise KI and its unique position as being an island in terms of having that natural barrier from a biosecurity perspective.

Dr CLOSE: On indulgence, given the informality, my son and his school are on Kangaroo Island at present on a drone program that is working on being able to identify weeds and deal with them, so it is even reaching into the education system as well, which is very good. That is all I have on biosecurity, so you are free to go.

The Hon. D.J. SPEIRS: I would like to thank Dr Virtue; you can leave if you would like or you can stay and enjoy estimates.

The CHAIR: What a choice!

Dr CLOSE: Just go now; don't look back.

The CHAIR: Thank you, doctor.

The Hon. D.J. SPEIRS: I think it is also worth saying, when it comes to Kangaroo Island, that we have this fairly significant reform process underway for natural resources management in this state. For obvious reasons, Kangaroo Island has never been able to raise enough levy to sustain its environmental work and what would be expected of it with its unique pressures. It is absolutely our intention to continue with a state-appropriated additional amount of money to ensure that the new Kangaroo Island landscape board, which will replace the NRM board in the future, all going to plan from a legislative point of view, can continue its work.

The Kangaroo Island state appropriation in the current budget period is \$1.14 million, which essentially is calculated as being what is required to add to the levy base, which, as I said, is quite small and fragile on Kangaroo Island, to enable them to continue their work. It is important to note that we would certainly continue to do that with any reform. We are also looking for mechanisms under our reform to redistribute funding across the state. Obviously, significant amounts of levy are gained from metropolitan Adelaide, but rural areas such as Kangaroo Island in particular, given the tourism destination that it is, have unique pressures put on them by an influx of people from Adelaide and further afield.

I think there is a strong rationale to look at redistributing some of the Adelaide levy to enable better environmental outcomes in our regions, where obviously there is the tyranny of distance and particular environmental challenges on the economic landscape as well as the broader environmental landscape. We need to look for ways in which we can redistribute some of that funding. We are certainly looking at that, but nothing is set in stone as to how that would look yet.

Dr CLOSE: I will follow up on some of those points, but I will return to my original order now. If we can start with Budget Paper 5, page 60, budget initiatives, looking at the savings task, can the minister identify how many staff net will exit the department over the forward estimates and what criteria will be used to identify the areas that will lose staff?

The Hon. D.J. SPEIRS: What page was that, deputy leader?

Dr CLOSE: In Budget Paper 5, page 60 has the overall summary of the budget initiatives. It includes the reference to the operating savings, including organisational reform, where there is an identified number of FTEs. I am interested more broadly in the other savings initiatives: what FTEs are anticipated to leave the department and what criteria will be used to identify them?

The Hon. D.J. SPEIRS: Deputy leader, we have not set any figure in stone as to how many staff would leave the organisation. We did want to build in some flexibility. If there were other opportunities to meet our savings targets without necessarily reducing FTEs, that would obviously be something that the department would look at and I would encourage as the minister.

We have put in a headline figure—and I would see this as an upper threshold—of 115 FTEs being reduced over the four years. As I say, that is certainly not a figure that is going to be set in

stone at the lower level. I would be very flexible for us to look at ways to deliver our savings without necessarily reducing staff by that figure. That is the projection that we believe would be currently required to achieve the savings targets.

As to how that would be achieved, I might ask for further comment from Mr Schutz regarding that. There is obviously a targeted voluntary separation package program that was announced during the budget, which is ongoing. There is a process for staff to indicate an interest in that, and that is certainly in this 2018-19 financial year. The department is going through a human resources process regarding that as we speak. I will ask Mr Schutz whether he wants to provide any more commentary on that.

Mr SCHUTZ: Thank you, minister, and thank you to the honourable member. There is a variation in the budget papers of 110, which is lower than the 2017-18 figure going forward. That is primarily relating to the completion of the National Landcare Program Phase One, funded by the federal government. At the time of the budget being prepared, the NRM boards were still in negotiation with the federal government and new contracts have not been signed.

We would expect most, if not all of those, at some point to be funded under the new agreements between the federal government and the new NRM boards or landscape boards. At this stage, some of that is being negotiated. At this point, we are looking at about \$13 million worth of funding in the next financial year, which is a slight increase on previous annual allocations.

The Hon. D.J. SPEIRS: As the federal government has been wont to do in recent times, it has reduced the quantum available across the whole country from the National Landcare Program by about \$250 million. At this stage, we are tracking quite well in terms of our negotiations to regain a pretty good proportion. We do not want to pre-empt things in terms of a per capita share, but at this stage we are not seeing the percentage reduction that would otherwise be warranted at a nationwide level. I think a lot of that is down to our NRM boards and the department working very hard to identify projects that would appeal to the commonwealth and then negotiate very hard to get South Australia's share.

As Mr Schutz mentioned, because those negotiations are not finalised there is a hole in the budget waiting for that funding to come. That will then enable us to secure another tranche of staff who have worked historically on these federally funded programs, as a good portion of our department does. They are good programs; they tend to be at the landscape scale so they have quite significant outcomes.

One of the good things about the forthcoming National Landcare Program Phase Two (NLP2) funding is that it stretches over five years, which gives certainty around tenure for staff and enables us to get our teeth into some of these projects. One that we are negotiating is the Bounceback program, with which I am sure you are very familiar. It is a generational program that has really made a huge difference in tackling species loss. John, do you have anything more to add?

Mr SCHUTZ: Further to those comments, the department has commenced a reform process around realigning the agency to the new government's priorities, including delivering the government's election commitments. That will be delivered through a range of efficiencies to reduce process around certain approvals. We will look to consolidate a number of activities that previously would have been distributed across the state or across the department. The department has had a very distributed delivery model in previous years.

Under the government's landscapes reforms, NRM boards will become more independent, if I may use that word, from the department. As such, the department will not have the same level of responsibility to support the boards in the eight regions, so we will have the opportunity to reframe how the department delivers particularly its corporate services to support its increased focus on on-ground regional delivery.

Dr CLOSE: I have a supplementary question. Minister, has the department issued a request for interest in TVSPs? Has the department informed Treasury how many they anticipate in this first year when, as I understand it, Treasury will pay—

The Hon. D.J. SPEIRS: Yes.

Dr CLOSE: —for the TVSP, and subsequently the department will have to shoulder the burden.

The Hon. D.J. SPEIRS: During the first financial year of the forward estimates, the 2018-19 financial year, the Department of Treasury and Finance will provide a bucket of money to all agencies to facilitate targeted voluntary separation packages. That is the process that I suppose in some ways is an incentive for departments to move quickly on this while that opportunity is there so it is not sourced out of the department's general revenue. Mr Schutz, would you like to talk about the specific process that our department is following, because I have not been involved at that level?

Mr SCHUTZ: Thank you, minister. Yes, the department has issued an offer of expressions of interest to the agency staff regarding TVSPs in line with what has been announced in the budget. No, we have not advised the Department of Treasury and Finance of any numbers yet, because that process is still live, and we are only working on the figures that have been established through the budget at this point in time.

Dr CLOSE: I believe the budget does not identify any for the first financial year, but you are presuming that they will just provision enough for you.

Mr SCHUTZ: Yes, absolutely.

Dr CLOSE: Sorry, I was not meaning to ask the chief executive a direct question.

Mr SCHUTZ: I just reinforce the point that the department does have savings in the out years. At this point, we have been provided the opportunity through the budget allocation for the Department of Treasury and Finance to cover the costs of TVSPs, so the department would be looking to utilise that facility at this point in time.

Dr CLOSE: My next question relates to page 64 of the same budget volume, which looks at the specific initiative that the minister mentioned in his opening statement about park rangers. I see that the funding for the initiative has been provided by reallocation from within existing departmental resources. Can the minister explain what is not happening in order to fund that. Perhaps as part of his answer, in order to move things along, could he also identify how many Aboriginal people he expects to be appointed specifically within that envelope?

The Hon. D.J. SPEIRS: Thank you, deputy leader, for that question. That is a worthwhile question. As you identify, we made a policy commitment to increase the number of park rangers in the state, seeing them as a fairly critical front-line service that really needs to be built up to meet our desires to reinvigorate national parks and also support people in our community to engage with our national parks. We see rangers as being an important part of that.

As you identify, most of that is happening as a result of a reallocation of existing resources. There is a small contribution of new appropriation from Treasury, but it is only a small contribution. I think it is about \$500,000 out of about \$7.5 million. I will get Mr Schutz to clarify that in a moment specifically.

As with any new government, there is an opportunity to reprioritise where funding goes and how funding is delivered. The department has undergone a business analysis and sought to look at where funding can be sourced. Some of those are in the little efficiencies in the administrative side of the department, around the communications budget being reduced and things like that. Because of the number of assets controlled by the Department for Environment and Water—some 23 per cent of the state, with around 20 per cent of that being national parks—there are continual opportunities to undertake asset works.

In any given year, those projects start and finish, and some stretch over multiple years. As part of that reprioritising and a shift to focus on investment in different parts of the business, the vast majority of the funding for our new rangers will simply come from a reprioritisation of projects coming to an end. That funding will then be transferred into our ranger workforce. In a moment, I will pass to Mr Schutz to provide any more insight he feels necessary; but, in terms of Indigenous rangers, that is very important to us.

When we said that we would expand the number of rangers, we identified a number of specifics. We said we wanted to use the new Glenthorne national park as a hub for rangers in the

south. We currently have a hub at Black Hill in the north-east of the city, which services most of metropolitan Adelaide. We felt there was a need to have some rangers located in the south, so we were specific around that. We think that three rangers will probably be located at Glenthorne going forward in order to look after the parks in the southern suburbs—not just the new national park but parks around that area as well.

We also said that, because of our particular focus on coastline, we wanted to create a class of rangers who would be trained in the knowledge and understanding of our coastline. Finally, we said that we wanted to have a specific emphasis on ensuring there are more Indigenous rangers in the state's workforce. You would probably be aware that the federal government has a reasonably good program to fund Indigenous rangers. We have examples of those throughout the state, particularly Ngarrindjeri rangers working in the parks around the Coorong, which have been very successful.

The development of an Indigenous rangers program comes with particular complexities, complexities that we are absolutely willing to tackle. We want to rise to the challenge because we think the connection that Indigenous South Australians have to country puts them in a unique position—firstly, to aspire to be rangers and, secondly, to share their story and their very special connection with the land with the existing workforce, the South Australian community and those from further afield who want to visit and care for our natural environment. This is important for our government.

I do not believe we have put a specific figure on it at the moment. I would like to see Indigenous rangers make up at least a quarter of the 20 new rangers. I do not want to commit us to an exact figure at this stage, but maybe Mr Schutz could provide a bit more information.

Mr SCHUTZ: Thank you, minister. As the honourable member knows, a ranger is one of those iconic Public Service roles that everybody loves and has a view on, regardless of whether they know the individual. As the minister has already outlined, the government has a commitment for 20 new rangers to be appointed over the next four years.

The commitment this year is to appoint 10 new rangers. The budget figures for 2018-19 show \$1.680 million and 10 rangers. Given the lateness of the budget coming down—and that is not a criticism—the fact that we are partway through the year and the time it will take to recruit those rangers, we will not expend that full amount this year. However, we will still seek to engage the 10 new rangers as per the government's commitment. The minister has outlined how those rangers will be allocated to the coast and to Glenthorne.

As at 30 June 2018, the state employs 93 rangers: 24 of these rangers are female and 69 are male; 13 of these rangers are Indigenous and 80 are non-Indigenous. The total cost for our rangers in 2017-18 was just over \$7 million. In regard to Indigenous rangers—and this is something I have not yet discussed with the minister—we have notionally looked to engage two Indigenous rangers per year for the next four years, which would give us a total of eight out of the 20.

Further to that, the government also has an initiative around creating 100 volunteer rangers over the next four years, and we would seek to support the full-time paid ranger workforce across the state and give the community a greater opportunity to be engaged in looking after and working in our national parks.

In regard to the positions and the reprofiling, I referred earlier to the reform process for the organisation. We expect there are probably a number of staff who work in our department who have worked around national parks for a long time who would love the opportunity to be retrained as national park rangers. We think that, for a number of public servants, this will be a life change in their career and something that will be very enjoyable for them, so we do not see that we will have too much trouble at all. Hopefully, we will exceed the 20 new rangers over the four years.

The Hon. D.J. SPEIRS: Thank you, Mr Schutz. You gave the breakdown of our current rangers, 13 of whom are Indigenous, and that is a pretty good figure in percentage terms. If we were to add another eight, as we aim to—I learn things through this process as well, so I am glad the department has been thinking about a headline figure—that would take us to over 20 out of around 110, which I think will give us a really good foundation of Indigenous rangers. Hopefully, there can be some working between the federal programs and the state programs as well.

I think we also need to do better with the number of female rangers. Twenty-four of our current 93 rangers are female, with 69 being male. I think we probably could improve that ratio as well, and hopefully we can provide an update in terms of better gender equity in that area in the coming years.

Dr CLOSE: I would like to turn now to another budget initiative, also listed in Budget Paper 5, this time on page 63, which is the opening up of the reservoirs, which I know was an election commitment. I see that the projected cost is \$5 million over two years for the environment department. I assume that we are now about to press 'go' on Mr Bruce giving some advice to the committee as well. What is this money going to be spent on and does it represent all the cost across all your portfolios for this initiative?

The Hon. D.J. SPEIRS: As you say, the opening up of the reservoirs is a key election promise of the new government, one that we think has quite a lot of opportunity to provide not only recreation opportunities within certain parts of our state but also potentially economic development opportunities, particularly in regional areas that have a reservoir that is being looked at for opening up.

It is fair to say that our approach to opening up the reservoirs is something we are undertaking in a very methodical way, as we should, given that these are strategic water storage resources for the state. We know that reservoirs in other states are open. We are looking very closely at how those reservoirs are managed in other jurisdictions and we are taking an across-government approach to this project. The project is being led by the Department for Environment and Water, largely because of their experience in outdoor space management.

The management of the public realm is not necessarily something that SA Water has as their day-to-day business, so we have tasked the Department for Environment and Water with leading an across-government task force to make sure that we get this right. It is being chaired by Mr Schutz, the chief executive of my department, with representatives from other organisations, including SA Water, of course, the Department of Planning, Transport and Infrastructure, and the fisheries and aquaculture component of the Department of Primary Industries and Regions SA. The South Australian Tourism Commission is also involved, as is the Office for Recreation, Sport and Racing.

We also have involvement from other organisations, including SA Health, the Environment Protection Authority, ForestrySA and the Country Fire Service, in particular with regard to some of the reservoirs where ForestrySA and the Country Fire Service have a particular stake in their management going forward.

This is a project that we want to get right. We have identified that not every recreational activity will be appropriate at every reservoir. The \$5 million that we have allocated to this project will be part of a light touch process. We will be looking at low-hanging fruit. Some of these reservoirs have been open in the past, so infrastructure and services are already in place. Those reservoirs will obviously be able to be opened up in a more efficient way with a less significant amount of money being required.

In the first instance, we are looking at reservoirs that can be opened up for walking because, of course, these tend to be areas that have a certain level of natural beauty. Enabling walking around the reservoirs is a fairly easy opportunity, which is low cost. As I say, not every recreational activity will be appropriate at every reservoir. We have ruled out motorised activity on reservoirs, so there will not be jetskiing, motor boats or anything like that. There may be opportunities for kayaking, certainly opportunities for fishing at some of these reservoirs, opportunities for walking, potentially barbecue areas and other low-level recreational opportunities.

The \$5 million will be largely for that sort of infrastructure. That really amounts to the vast majority of the spend that has been allocated at this stage. If we expand the project in terms of the number of reservoirs and more substantial infrastructure, we may look at other allocations of funding down the track, but at this stage, in this early, light touch approach to this project, we are not planning to do that.

Dr CLOSE: I am interested to know, if you are able to answer this early, how many reservoirs you think might be opened with the \$5 million. I am particularly curious about what assurance

mechanism the department is going to use to make sure that there are not health consequences. I appreciate the minister said that there is some existing infrastructure, but a great deal of concern has been raised about the prospect of people who have some disease such as giardia, for example, entering the water, which can then very easily spread into Adelaide's drinking water. What mechanism is being established to make sure that the existing infrastructure is sufficient and that there is not a requirement to spend more on water purification?

The Hon. D.J. SPEIRS: That is a very good question, deputy leader, and one that should be taken very seriously. As part of our task force process—and I will get Mr Schutz to talk a bit more about this shortly—SA Health has a leadership role around public health. It is the organisation that you would hope and expect to be involved with any such activities. They have a primary responsibility for public health.

Their public health division within the health department has been providing us with advice in regard to the opening up of reservoirs and how any potential risks could and should be mitigated. The advice that they have provided to date, in partnership with SA Water, will be used to ensure that a risk mitigation strategy is in place for each of the reservoirs that we are looking to open. I will ask Mr Schutz to provide more information on that in a moment.

You asked about the number of reservoirs. I think we were considering around 16 reservoirs in the mix. I am not saying that they would all end up being opened, but we are looking at 16 as being possible reservoirs that could be opened. Some of these were advanced by the previous government. They include Bundaleer, Beetaloo and Baroota—the three Bs in the state's Mid North. We have been looking at the Tod Reservoir on Eyre Peninsula, and I have had conversations with the member for Flinders, the Chair, in relation to that. Middle River Reservoir on Kangaroo Island is one that we have looked at because of the community interest in seeing that reservoir opened up and, obviously, the tourism opportunities as well.

On the Fleurieu Peninsula, we have been looking at Myponga Reservoir and Hindmarsh Valley Reservoir. There were some complications around Hindmarsh Valley identified by the previous government, so I am not sure where we will end up with that one. Certainly, we see Myponga Reservoir as a potential economic development opportunity, given not only the proximity of Myponga Reservoir to metropolitan Adelaide but also the fact that the small town that wraps around the reservoir could really achieve quite a significant economic boost from having a reservoir on its doorstep that is accessible for activities such as fishing.

A few weeks ago, I had the opportunity to head up to Queensland on a personal holiday and I visited a reservoir in the middle of absolutely nowhere. There was a fishing tackle shop in a little town called Imbil, which was a very pleasant little place. It would have no reason to have a thriving fishing tackle shop other than the fact that there was a reservoir there that had been opened to the public. We do see an economic imperative around some of this work as well.

Before I hand over to Mr Schutz, the other reservoirs include the Barossa Reservoir; South Para Reservoir, which I believe was open in the past; Warren Reservoir, which the previous government opened; Little Para Reservoir; Hope Valley Reservoir; Millbrook Reservoir; Kangaroo Creek Reservoir; Happy Valley Reservoir and Mount Bold Reservoir. Those are all the reservoirs we are seriously looking at.

We are making no commitments as to where they would fit in the hierarchy of either opening or not or what sort of recreational activities would be enabled on any of them, but I am more than happy to provide updates to the deputy leader as the task force's work unfolds. I will hand over to Mr Schutz, given he has a role in chairing the task force.

Mr SCHUTZ: Thank you, minister. Just to add to what the minister has already said about the task force, the task force has 10 separate government agencies engaged in consideration of delivering the government's election commitment. Under the task force, we have established five working groups. Those five working groups are public access and engagement, recreational activities and infrastructure, water quality, fishing, and tourism and economic development.

Each of those working groups is doing a body of work under each of those headings to bring back to the task force, which will then provide the task force with sufficient information to consider

what activities may occur at what reservoirs and at what point over the next 3½ years. That advice will be consolidated down and provided to the minister for his consideration.

We believe that in a number of the reservoirs there are probably some fairly early access opportunities utilising existing infrastructure, like fire tracks or existing roads, which would give people the ability to walk around reservoirs or to access some other areas. SA Health is the lead agency that will determine the requirements around access to the water and the implications to public health and drinking issues. That will be the organisation that signs off on the advice that comes to the minister through the task force.

SA Police are the lead agency for the management of critical infrastructure from a state perspective, and they will be providing advice back to the task force and making sure that any critical infrastructure, of which water is a component, is protected from any potential risk from this opening.

Dr CLOSE: Has the task force sought to hear or yet heard from Don Bursill, the former chief scientist, who has some deep concerns about the expenditure required in order to be certain that the potable water system will not be contaminated?

The Hon. D.J. SPEIRS: I will pass to Mr Schutz to answer that.

Mr SCHUTZ: The task force has not heard directly from Professor Bursill, but the task force is well aware of his previous statements on the matter, as is SA Water. SA Water are leading the working group on water security and they are working very closely with SA Health. All those matters will be considered in regard to the advice they bring back to the task force.

Ms COOK: I have a question on the same line. In regard to opening Happy Valley Reservoir, has there been any consultation or risk assessment done yet on how the public will interface with the fauna population that has developed around the reservoir? They are not used to contact with humans.

The Hon. D.J. SPEIRS: Thank you, member for Hurtle Vale. I thought you might ask a question about this.

Ms COOK: Funny about that.

The Hon. D.J. SPEIRS: Of course, Happy Valley Reservoir forms the boundary between your electorate, my electorate and the member for Davenport's electorate. There is no doubt that an abundance of kangaroos have made a home in the relatively safe confines of the Happy Valley Reservoir. In fact, the magnitude of space around the Happy Valley Reservoir is almost the same size as the surface area of water. There is a very large amount of open space.

One of the reasons we wanted to connect that site into the open space corridor that will form Glenthorne national park in the future is that it provides such an essential component of open space. There have been various efforts to revegetate and protect native vegetation through that site as well over the years. When it comes to Happy Valley Reservoir, we have not started to map out what potential access would look like in any great detail, but it is fair to say that, because of that large area of open space around the reservoir, my view would be that large portions of it would not be accessible to the public. It would not be a free-for-all behind the fence.

Some people in my electorate, and no doubt in yours as well, have mentioned the removal of the fence. I would not anticipate that fence just being taken away because the reservoirs are being opened up. We would not necessarily tear down the fence and let people have access from every corner, whether it be Black Road, Main South Road, Chandlers Hill Road or Happy Valley Drive. There are multiple access points, but we would look to restrict it. I have given you the long answer but, in short, this is on my mind. I drive past there regularly, and I see the kangaroos on either side of the fence. This is something that we will definitely be taking into consideration and something that SA Water have to manage on a day-to-day basis as well.

Dr CLOSE: I would now like to turn to Budget Paper 4, Volume 2, the Agency Statement that relates to environment and water, page 173. In the list of targets, the review of marine parks is mentioned. Indeed, there was a story in today's media about that. Who, singular or plural, is conducting this review, and will the minister consider expanding sanctuary zones should the review recommend that?

The Hon. D.J. SPEIRS: Thank you, deputy leader. Did you ask who was conducting the review?

Dr CLOSE: Yes.

The Hon. D.J. SPEIRS: Yes, I did not quite catch that. It is an organisation called EconSearch, which has experience in this sort of activity. You would be aware that we committed to reviewing the zone classifications within the state's 19 marine parks using a threats-based determination. The review will also consider the adequacy of the protection of Adelaide's metropolitan coastal waters. That is my entree into saying that we will absolutely consider new marine parks and sanctuary zones.

I have made it very clear that it is something that I am not only not close-minded to but actively keen to see pursued. I want independent advice that can give me an understanding of the economic, social and environmental values of the current parks and also cast an eye across the state's boundaries to see if there are particular areas. Metropolitan Adelaide is one of those areas which we could potentially look at but more broadly across the state as well.

There are opportunities to have more marine parks and sanctuary zones, albeit that we have made public commitments about looking at whether the boundaries are right for those 19 marine parks, particularly the sanctuary zone classifications that sit under those. I will ask Mr Schutz: did you have anything to add to that and did you want to make any comment about EconSearch?

Dr CLOSE: If Mr Schutz had the detail of which scientists or other experts are being used by that organisation, that would be useful; if not, I am happy if he would like to take that on notice.

The Hon. D.J. SPEIRS: I will ask Sandy Carruthers, the executive director, to come forward. She looks after the science and information component of the organisation. I am not aware of how EconSearch is undertaking this process. Sandy, you might like to elaborate.

Ms CARRUTHERS: Thank you, minister. EconSearch are doing an independent review, so we have provided them not only with all the information we currently had around the science but also all the past information that had been collected from a past parliamentary committee inquiry plus all the other information from the local advisory groups.

EconSearch are pulling all that together. They are also doing another economic analysis on the zones as they are. That report is due next week, but they are also sending it out for peer review. So there will be a peer review around the fishing industry, two around the ecology and another independent person from interstate to also look at the economic part. So we are getting four peer reviews to make sure that it is being independently looked at.

Dr CLOSE: I would appreciate, if it is possible, to take it on notice to provide the details of the people who are undertaking both the initial work and the peer reviewing when that is available.

The Hon. D.J. SPEIRS: We can do that, can't we?

Ms CARRUTHERS: Yes, we can do that. I do not have all the names here.

Dr CLOSE: Thank you, that is fine.

The Hon. D.J. SPEIRS: We do expect that process to be completed in the fairly near future. It has been very much my view that, given the environmental assets that these marine parks and sanctuary zones are, we want to get it right and then be able to cement them going forward, and also because of the economic uncertainty for those who are the economic players within our marine habitat. We want this process to be done not only independently, robustly but also efficiently so that we can get on with it, get on with the environmental protection so that those people who are undertaking economic activity within our marine waters have certainty one way or the other going forward.

Dr CLOSE: I am happy if this is taken on notice, but what were the terms of reference and the criteria used to determine which organisation would undertake this review?

Ms CARRUTHERS: I might take that on notice, yes.

Dr CLOSE: If there was an open tender process, I would like to see what documentation was associated with that; if there was not, then what was the process and by what criteria were the different bids judged? That would be very useful. The cost would be excellent, too.

Ms CARRUTHERS: The cost we think is around about \$120,000 in total. That is not exact but up to that. EconSearch are the primary consultancy group that primary industry uses. They have a really good understanding of the fishing industry and how to assess the economic value of that. They also have a really good understanding of the ecology around that. It is a South Australian company, so that was a big part of the reason.

What came out of the previous process leading up to the marine parks being implemented was that they were trusted by all the stakeholders in terms of understanding the issue. Mainly the review was then doing some extra information on the economic side, so they are really pulling together all the existing information, and those were the principles around how we chose them as the group.

The Hon. D.J. SPEIRS: I understand that the conservation sector has a reasonable level of confidence. I do not want to put words in their mouth, so I am not putting that word 'confidence' in their mouth. However, the conservation sector seems to be comfortable with EconSearch, given their history in this space and their experience of delivering information and outputs around marine parks. I have been given some advice from Mr Schutz that the current contracted cost for stage 1 of the review—and there may be other bodies of work flowing from this—was \$71,814. The peer review and revision and production of the report will be separate from that. It is an initial figure of \$71,814.

Dr CLOSE: If I can move on to another question now, this relates to Budget Paper 4, Volume 2, page 167, Program 2: Water. I specifically want to ask about the Murray-Darling Basin Royal Commission that is currently underway. I read, as the minister would have read, a concerning series of letters from the royal commissioner to the Attorney-General. The element of the correspondence that I am particularly concerned about—and I would like to hear the minister's views—is that the commissioner indicated that he would have benefited from evidence that is not being presented to the royal commission in person by officials from the commonwealth. I am interested to know whether the minister shares my concerns about that.

The Hon. D.J. SPEIRS: Deputy leader, the items referring to the Murray-Darling Basin Royal Commission are, from a budgetary point of view, wholly located within the remit of the Attorney-General. All questions in regard to that item should be referred to the Attorney-General's estimates process.

Dr CLOSE: In that case, I will move on to another question about the Murray. Does the department have some modelling that the minister can convey to us about the impact of the current drought largely in the Eastern States but also in South Australia, and how is it likely to affect water flows along the Murray for this summer and also for next summer?

The Hon. D.J. SPEIRS: Thank you, deputy leader. That is a really good current question I will refer to Mr Ben Bruce, who has responsibility for water, particularly the River Murray, within the department, to provide some insight into that area.

Mr BRUCE: Thank you, minister. No, we do not have any modelling per se at the moment but, obviously, the Murray-Darling Basin Authority keeps a very close look at the storages and inflows across the basin. In its current state, certainly inflows are very poor across the basin. From memory, last time they were around the 90 percentile, so that is quite low, but the storages are reasonably good at the moment.

The last time I checked, Dartmouth was just under 90 per cent, Hume was around 50 per cent and Lake Victoria was a bit under 50. We can check those numbers, but there is that type of arrangement. At the moment, irrigators in South Australia are on 100 per cent allocations, and we have full confidence that for this year that is fine. Storages are good, so that next year, even with dry inflows, they should be reasonable, although we cannot guarantee that 100 per cent. It is the year after that, if we get continued low inflows, that we start to have really serious concerns.

Dr CLOSE: The Productivity Commission recently did its five-yearly review of the implementation of the Murray-Darling Basin Plan. It warned in that report that the agreed package of

supply measures is ambitious and that enhanced environmental outcomes are unlikely, in its view, by 2024. Has the department undertaken some modelling about the possible additional expenditure that South Australia would be required to undertake in the event that that supply measures package fails?

The Hon. D.J. SPEIRS: Thank you, deputy leader, and again this is a good question. When I mentioned in my introduction that there needs to be a certain level of bipartisanship at a state level—I emphasise state level—around the administration of certain parts of environment and natural resources, the River Murray is one of those areas that falls firmly into this area. The Productivity Commission's report makes interesting but concerning reading.

As a South Australian and as the minister responsible for the River Murray and River Murray policy in this state, I think it should concern all of us, as members of the house but also as members of that bureaucracy, that some of those measures could either not be delivered or not deliver what they have been projected, predicted or publicly stated they would deliver. That is something that we should absolutely be concerned about. Of course, the vast majority of those measures are not in South Australia. As is too often the case with Murray-Darling politics and policy, too many of the levers are across our border.

With the supply measures, as with many items of policy in River Murray administration, our house is in pretty good order. We should never allow that to be used as an excuse internally that would make us sit back on our laurels; I do not think we have done that at any time in recent history under any government, but things are pretty good here. It is across the border in the other states, particularly New South Wales and Victoria, where in recent times their level of cooperation in terms of the Murray-Darling Basin Plan has improved somewhat, but I believe their driving commitment around the plan can always get better, and perhaps they have a lot to learn from the way we have done things historically here.

With regard to South Australia's modelling and budgetary scenarios around the delivery of those measures, can I clarify: did you mean in terms of our own measures or in terms of the failure of interstate measures to occur and the impact that that would have on us?

Dr CLOSE: Given that the Productivity Commission has clearly signalled that a failure is a reasonable prospect—

The Hon. D.J. SPEIRS: A possibility, yes.

Dr CLOSE: —a possibility or even a probability—what planning is occurring here in order to mitigate the impact as far as is sufficient?

The Hon. D.J. SPEIRS: And the potentially less water coming across the border. I might get Mr Bruce to provide some more clarity in a moment, but I am advised that the reconciliation process that will occur as part of the Murray-Darling Basin Plan, when we reach the presumed conclusion date of the plan in 2024, is our safeguard. If projects do not work then water will need to be sourced through other purposes or entitlements will have to be reduced elsewhere.

So there is that protection mechanism built into the plan, which should give South Australians some peace of mind that, if those projects have not delivered more water into the river, the reconciliation process will then trigger a range of outcomes that will require entitlements to be reduced elsewhere or water sourced from other means. However, it would be nice if we did not need to do that. I suppose there will always be a bit of doubt when you are dealing with pioneering activities that have not been done before.

You cannot be 100 per cent certain what level of water will be delivered, but it would be nice to have a bit more confidence in some of these projects than I think it is fair to say the scientific community currently has more broadly. Mr Bruce, do you have anything more to add to that?

Mr BRUCE: I think the only thing I can add to that is that South Australia, as the minister said, is leading the way in this regard. We have a significant buffer in place so that, if the 605 is not achieved in full, there would have to be a large amount not achieved for South Australia to be impacted. Certainly, it would be the other states and the commonwealth that would have first dibs at that. It is not impossible but we are a long way off that, so we have a good buffer in place.

Dr CLOSE: If I can now turn in the same document to page 168, water in the South-East, there is a reference on that page to a review of the science of the South-East water allocations. I am interested in the terms of reference for the review, who is undertaking it and how peer review will be undertaken.

The Hon. D.J. SPEIRS: This is my attempt to get alternative science, deputy leader, which was not my intention when quoted in the media on that occasion.

Dr CLOSE: That would have been a lovely answer to give in question time.

The Hon. D.J. SPEIRS: Yes.

Dr CLOSE: It would have been very disarming.

The Hon. D.J. SPEIRS: No. The work we are undertaking in the South-East really came from two bodies of work that had really conflicting outcomes. One was the body of work undertaken by the science component of the Department for Environment and Water, which put in place a number of cuts to water allocations as part of the very lengthy water allocation plan process, and then this other body of work that was undertaken. You would expect this work to be undertaken, and it was undertaken by those producers and farmers who felt that the requested cuts to the water allocation plan were, firstly, in their view unnecessary and, secondly, were going to have an unfair economic impact on their operations.

When I was confronted, as the shadow minister at the time, with two bodies of work with very conflicting outcomes, both apparently with fairly robust scientific underpinning as far as a layperson can tell, from opposition we made this commitment that if we were fortunate enough to form government after the 2018 election we would put on hold the cuts that had been locked in for water allocations in the South-East regions and then undertake an independent review of the science to get an alternative opinion, so to speak. That is where we are going at the moment. I will ask Mr Bruce to provide some of the specifics of that review.

Mr BRUCE: We would have to take on notice the terms of reference, but the Goyder Institute for Water Research has been contracted to undertake the review as a highly regarded independent science body.

Dr CLOSE: I now turn to the natural resources reform matter, which I believe is captured on page 163, sub-program 1.1, and return to the discussion about the subsidy to NRM boards that we began at the beginning of this session. I would like to understand what the subsidy will be over the forward estimates. I think I understood that the minister made a reference to a cross subsidy; so, rather than additional money being added into NRM for boards, where it is difficult for them to raise enough to manage, there might be some taken from one NRM region and moved to another. If that explanation could encompass it that would be very helpful.

The Hon. D.J. SPEIRS: Currently, there are a couple of NRM boards that do not raise enough money. That is the AW board—I will not disrespect the traditional owners by trying to pronounce that correctly—which raises really no money, and so it receives a full subsidy from state appropriation of \$1.4 million. The Kangaroo Island board receives the same in the current financial year. The South Australian Arid Lands Board (the SAAL Board, as it is referred to) currently receives \$332,000 in addition to its levy base because it does have much more of a levy base than Kangaroo Island or the AW board. Those boards obviously have limited capacity to raise sufficient funds to go anywhere near the level of environmental activity and natural resources management work that we would expect them to be able to do.

It has been pitched to me a number of times in my role as shadow minister and subsequently as minister that there is a need for some more money in the regions because the vast majority of our environmental lands—whether they be protected areas, such as national conservation parks and wilderness areas or private productive landscapes, such as our farmland and pastoral lands—is the vast majority of our state. That is not where the vast majority of our population is. Of course, around 80 per cent or more is within metropolitan Adelaide, and that is where the levy is collected.

Under the current model, the Adelaide and Mount Lofty Ranges Natural Resources Management Board collects a very large levy. I think that is in the region of about \$30 million.

Mr Schutz is giving me the exact figures. This year around \$30.7 million will be collected out of the Adelaide region.

There is a fairly strong argument put to me by others, and one which I am inclined to agree with, given there is a very large population in metropolitan Adelaide that enjoys our regions, enjoys the natural landscape in our regions and enjoys the economic outputs of our regions both in a macro sense—the state economic driver that are regions are—and also in the micro sense, that they enjoy the produce in a very practical way from our regions. They enter our regions and they visit our regions. People in Adelaide put unique pressures on regions. It was put to me and, as I say, I am inclined to agree, that it would be better if that very large pot of money that is gained out of metropolitan Adelaide could be spread to our regions.

We have not come up with a mechanism yet. We have been undertaking a very broad consultation across the state, which has been really quite successful and which has endorsed that approach. You would say, 'Well, they probably should endorse that approach because those people are from the regions, so of course they want more money.' But people who have been consulted in Adelaide as well, as far as I can gather, have been pretty supportive of that rationale that Adelaide's money could be spread somewhat.

What would that look like? We have not set anything in stone yet, but I think one thing that I have pitched at these consultation sessions, and I have attended quite a lot of them, is that you could have a landscape or an NRM fund that had a portion of every levy—from Adelaide, from every region—paid into it, and then that fund could be available to undertake very large landscape-scale projects in our regions, which would have a really big environmental impact. That is part of the philosophy of our new Landscape SA strategy as well—the idea to look at the macro landscape scale and then come right down into how acting locally can impact the broader landscape.

Projects that fit into that include WildEyre. I am not sure if the deputy leader is aware of that. It is a really good project initiated under the previous government that looks at landscape-scale restoration on the West Coast and central Eyre Peninsula. Of course, the Chair would be very aware of that project. Another landscape-scale project that really interests me is the rewilding of Yorke Peninsula, looking at an opportunity to create a project like Bounceback in the southern part of Yorke Peninsula. It is large project extending over multiple tenures, very vast landscape and having funding to do that.

One mechanism that we are working up and we are seriously considering is the creation of a landscape-scale fund that other regions outside metropolitan Adelaide could benefit from. If a portion of every levy—that might be 5 per cent or it might be 10 per cent—were paid into this fund, of course everyone is contributing, but you are lifting a chunk of money out of metropolitan Adelaide to benefit these projects.

Dr CLOSE: What is the current thinking or modelling on the idea of a cap for the NRM levy? Does that risk a zero-sum game in the sense that more is being talked of being done, landscape-scale work, that might previously have been contributed to by the department coming out of the levy, and the levy being capped, that something will have to give? What is the modelling for the levy at present for the cap?

The Hon. D.J. SPEIRS: The announcement in the lead-up to the election that we would cap NRM levy rises going forward sat within our cost-of-living envelope of policies, which included the reduction to the ESL, land tax, payroll tax and of course council rates. While we are not currently capping council rates, legislatively at least, the government remains committed to that policy. It was my view that if we were to cap council rates and the NRM levy was collected from the same document (the council rates bill) it would be in good faith to cap those as well, so that the whole bill would be capped, not just one component of a bill with two components.

In terms of modelling, we have been consulting through our statewide engagement process on whether a cap would be CPI. Interestingly, three of the boards raised their levies last year by CPI or less: the SA Murray-Darling Basin NRM Board, the South East NRM Board and the SA Arid Lands NRM Board. We have looked at CPI. Would you adjust your CPI, which is a figure that people understand, or would you look to create an NRM price index using the same philosophy that sits behind the local government price index by which council rates are often calculated?

We are still working through that. We have been consulting on it and I will have more to report on where we land with that in due course. Beyond those two mechanisms, I do not believe we have undertaken any additional modelling. Mr Schutz might have more to say on that.

Mr SCHUTZ: No, minister, we have not done any specific modelling around that at this point in time. The boards' plans, which have been approved previously, stay in place until they are redone. The minister does not have any powers under the current act to reduce those levies by direction, but he can ask boards to remake their plans.

Mr BASHAM: My question follows up on some of the things you mentioned about the engagement process. Can you outline what has been undertaken in this space to inform the proposed new Landscape SA act?

The Hon. D.J. SPEIRS: Thank you, member for Finniss, and thanks for your interest in this area. I know you have been involved in part of our consultation process to date. As I said in my introduction to the estimates process this afternoon, I have been very keen to use the Landscape South Australia process, partly because of my background and my desire to really get good, authentic engagement in our department. This is because of its extent and ability to reshape my department's business on a day-to-day basis and also at a more strategic level.

I have been very keen to undertake a solid and very authentic process around it that can be used as a model or case study for future engagement processes going into the future, while perhaps not always at the same scale. I am trying to shift the department's focus from a communications-led strategy where the department tells people what they are going to do—they spent some \$600,000 doing that in the previous financial year—to a process where we work with the community and engage to lead.

Something I have been very clear about throughout the statewide engagement process for the development of the Landscape South Australia act—and it is not just legislation; it is the bodies that will fall out from that—is this desire that we will actually use the engagement and consultation process to forge partnerships and relationships in the communities with which we have been consulting. This will enable us to deliver really good outcomes in the future.

As I have mentioned in the house, I feel that a lot of goodwill and partnerships had been undermined or diluted in regional South Australia through the centralisation of the natural resources management activities of the department. We are using this engagement process to forge really strong working relationships to give people faith and confidence that we are doing good work here aimed at not only restoring their confidence in the system but also creating a system that is more focused on their views and ideas and what they want to see the natural resources policy and programs in our state directed towards.

It has been a fascinating process. We have undertaken engagement workshops across the state. I think we are nearing around 30 altogether. We had to hold some of them more than once because they were oversubscribed, which was fantastic. I went to a whole suite of the initial workshops, including the first one in Port Lincoln. I went to Ceduna and Port Augusta. I headed down to the near metropolitan areas as well, obviously. I attended a session in Victor Harbor and went to Murray Bridge and have been involved in a range of these workshops.

It was fascinating to hear what people want from the system. There was definitely a focus on back to basics: get the basics right as a foundation upon which a more resilient landscape can be built and upon which biodiversity can then thrive and we can really get a climate-resilient landscape as well. There were those three things: back to basics around water, soil and pest control, but overlaying that was a desire to see vibrant biodiversity and a climate-resilient landscape as well. In some ways, it is a back to basics approach built on simplicity, but in other ways it is incredibly complex. Our challenge now is to turn that into reality on the ground.

Because of its thoroughness, the engagement process has required quite a bit of investment, which is certainly something that I am keener to see the department spend money on than traditional communications. We spent about \$150,000 on the Landscape South Australia engagement process, but I believe the product that we are getting is really thorough. We have some great people leading that process, with a particular focus on Indigenous engagement.

When I was over in Ceduna, our engagement with traditional owners was something that I was able to take part in. I was able to hear their views and understand how native title may or may not fit with Landscape South Australia policy. I was able to understand what their particular interests are around nature education and the teaching of not only other traditional owners but people who are not Indigenous to improve their understanding of what natural resources management and environmental protection mean to traditional owners as well.

We have done a lot of regional trips, particularly focused on traditional owners, in some more far-flung parts of our state, such as our pastoral country. We have been to Scotdesco, Marree and Yunta. It has been a really fascinating and thorough process, which I think will enable us to get this right to ensure that we do not throw the baby out with the bathwater when it comes to reworking this legislation.

It is a big reform process. It is a good reform process. We do not want to get rid of programs that are having an impact. We do not want to remove human resources from a particular region where they are having great impact. In fact, we want to work in with those large-scale federal programs to really maximise bang for buck and environmental impact.

When we get the final report from the Landscape South Australia engagement process, I think we will be really encouraged by what we have been told, but it will be incumbent on the government, and me as the minister and my department to really pay very close attention to that report because a lot of effort has gone into the engagement and we need to give people the confidence that we have listened and we are willing to follow through on that. We will not tick every box. We will not please all the people all the time, but I think we can undertake this reform to get a really robust resilient natural resources management framework in place for our state.

The CHAIR: Questions, member for Hurtle Vale.

Ms COOK: Thank you, Chair. Minister, my questions are related to the reform, Budget Paper 4, Volume 2, page 163, sub-program 1.1. In regard to the consultation process that is happening, what is the cost of the external facilitator and is the department being provided with the feedback from the sessions being conducted, or is that directly to the minister's office?

The Hon. D.J. SPEIRS: We have expended around \$150,000 on that process. It seems quite a significant sum of money but, as I said in my answer to the member for Finniss a moment ago, I think the product we are getting, rather than that comms-focused strategy, which I think is an approach that has had its day, this engagement process based around building relationships and building confidence and really hearing authentic advice is right at the heart of what we are trying to do here, so that when we get the final product we are in a position to listen to its feedback and use that to really shape this new legislation.

We have undertaken some very high-level legislative drafting work to date, but we now need to use the consultation, the engagement report, to fill in that legislation and make sure that we are capturing what people want out of it. I believe that feedback will be put together in a report that will then be provided to the department. In terms of advice I have received to date, it is only that gained from my informal discussions with attendees at the sessions and with the facilitators along the way.

In fact, I bumped into the facilitators when I was getting my morning coffee today and they reflected briefly on what an interesting and multifaceted approach it had been. I will ask Mr Schutz to provide information on when that report is expected to be delivered, if he knows—I think it is by mid-October, from memory—and how it will then be used to shape the legislation. I think what I provided was accurate.

Ms COOK: In regard to the principles around this engagement, were they provided by the department, or were they directed by you?

The Hon. D.J. SPEIRS: There was a discussion paper put together by the department that was informed by conversations along the way by me. At one point, I formulated what I saw as the headline principles and they were translated into the discussion paper. It was a discussion paper from me, as the minister, obviously with my foreword and a number of headline principles I thought should be given a real good look at to help drive the reform, given my experience of consulting around

this when I was the shadow minister, but really needing to reality test that through the engagement process with the community.

As the incoming government, and certainly as the shadow minister in opposition, you have to put a certain amount of information and headline principles out there for every policy so that you are not accused of having no ideas, but then you have to be open to having that thoroughly reality tested by the community to make sure that you are on track.

The interesting part about the consultations I have attended is that our back to basics approach, our desire to see some simplified legislation, has certainly been validated through the consultation process, notwithstanding that I do not want to predict the final outcomes of the report. That is simply what I have heard from attending quite a few of these sessions and having heard the feedback face to face. We need to await the final report to see if those principles presented as discussion points were accurate, whether they need to be discarded or whether they need to be added to along the way.

Ms COOK: Finally, just in regard to the back to basics concept that you are talking about, who developed the diagram on the discussion paper?

The Hon. D.J. SPEIRS: I think it was put together by the department. I am sure that I scribbled certain diagrams along the way, but I do not think what I scribbled looked anything like what was finally in the diagram, I can tell you that. My office and the department worked quite closely on that discussion paper; it is a key election commitment for the government. None of us in my office—no offence to my personal staff—has the artistic capacity to make anything look like that final discussion paper did.

Dr CLOSE: If we can turn to climate change now, I am back on Budget Paper 5, page 61, which looks at the consolidation of climate change programs. I am interested in the programs that are being wound back, and I would like more clarity on whether 'wound back' means 'wound up' or whether they will continue in some form. What proportion of the existing expenditure in climate change in the department are the savings referred to here?

The Hon. D.J. SPEIRS: Thank you, deputy leader, and that is another good question. I will give a bit of an introduction and may pass to Mr O'Brien for some more detail. I recently had the great privilege of being able to go over to San Francisco to represent the state at the Climate Action Summit. Mr Schutz accompanied me, and we were there just a fortnight ago.

What struck me—I would not say surprised me because I had not thought of it, but because I had not thought of it before it certainly struck me—is that this is an area in which South Australia has been doing some exceptionally good work and in which we are well regarded at the international level, particularly in the space of renewables. Our government is certainly keen to continue building on that policy heritage and that policy success because we are seen as a world leader.

We are seen as a world leader because of our successes and also our challenges along the way that we can share with people. There are certainly many developing-world nations that now have the opportunity to enter a climate adaptation and climate change mitigation policy arena and that can learn from us and are keen to learn from us. I had not been exposed to that at the international level before, so I was quite fascinated by the opportunity that exists for South Australia on the world stage. I am sure that members of the previous government knew that, because they were involved in that policy work historically and had attended these sorts of events historically but I had not.

What it showed me was that we are doing good work here and that we do need to continue much of it. I have been very up-front with the parliament that we want to really ensure the work we are doing around climate change can connect to everyday South Australians in a very practical way. The importance of that was underlined when I was overseas because it became apparent to me that, because we are doing all this good stuff, we need South Australians to have an understanding of it and we need them to feel they are part of that.

That is why we have talked a lot about the practical side of climate change adaptation and mitigation, the 'greening' of Adelaide. We want our Greener Neighbourhoods program and our green Adelaide body more broadly, which will be formed under Landscape SA, to really be very bold around

greening our city so that we are more resilient when it comes to climate change and so that we can deal with the heat island effect and things like cooling our city.

We also want to build that resilience into our broader landscape. That is a critical part of the Landscape South Australia reforms. If we get those foundational elements right, particularly around pest control, water management and soil quality, we can overlay that with biodiversity and climate resilience and really build that strength into the landscape. We are going to need that resilience if we are serious about adapting to the impacts of climate change.

We have said that a big focus will be coast protection. I see it as the front line against climate change, whether that be adaptation in terms of better sand replenishment programs, more R&D around how to keep sand on our metropolitan beaches, seagrass restoration to lessen the impact of increasing sea levels and storm effects, the adaptation around where to retreat at certain times, ensuring we have resilient salt marshes and areas like that, and triggering a blue carbon industry as well.

I say all this because some of our programs in the climate space are being reduced. We have been very up-front that we saw the need to wind back some funding in Carbon Neutral Adelaide and the Building Upgrade Finance program as well, but there is lots of new stuff happening in this space. We are winding back funding for Carbon Neutral Adelaide. It is at just over \$1 million at the moment, and we are going to take it down to around \$250,000.

That is designed to retain what we see as the most valuable part of the program, the partnership with Adelaide city council around their Sustainability Incentives Scheme for water and energy-saving devices. I should say that I am quoting the Lord Mayor here. I was told that leveraged funding is \$7 for every \$1 of government or local government investment. We want to keep that program, and that will continue. We will also keep the policy component of the Building Upgrade Finance program to ensure that local government continue to undertake that project if they want to.

In the budget, there is what looks like a substantial reduction in overall funding in the climate change part of my department in terms of the directorate; however, that is partly because we are seeking quite a bit of funding from the Green Industry Fund going forward and subsequently reducing the appropriation. The previous government did that to an extent. We are upping the amount of money being released from the Green Industry Fund to enable that.

It is fair to say that I acknowledge and celebrate that we are a world leader in this area. Some programs come and go. We want to keep the good things. We want to expand new programs, and I really want to work very closely with everyone in this chamber and in this parliament because this is the sort of thing that needs to be, again I say, at state level at least, above politics.

Dr CLOSE: Were you going to ask—

The Hon. D.J. SPEIRS: Yes. I will ask either Mr Schutz or Mr O'Brien to talk through—

Dr CLOSE: Just the proportion of the savings that this represents, the specific expenditure.

The Hon. D.J. SPEIRS: Yes, the specific flows of the dollars.

Mr O'BRIEN: In relation to climate change, in essence in that program there is a \$975,000 reduction ongoing over the years. That is offset with additional income coming into that program of about \$500,000. The net impact of that in the 2018-19 year is a small reduction of \$318,000 in the climate change program for the year.

Dr CLOSE: So that I can understand more clearly, Budget Paper 5, page 61, the consolidation of climate change program states, 'This measure delivers savings of \$11.6 million over four years.' Are you indicating that there is an offset of increased income from the Green Industry Fund that is not referred to here?

Mr O'BRIEN: Sorry, I could not quite hear you.

Dr CLOSE: Are you saying that there is an increase of funding for the climate change programs from the Green Industry Fund that is not represented on this page, and if so how much? With these savings of \$11 million, what proportion of the current expenditure on climate change in

that directorate does that cut represent? Is it half of what is spent? Is it 10 per cent of what is spent? If you would like to take it on notice, I am comfortable with that.

The Hon. D.J. SPEIRS: I might have another go at answering this, but let me know whether you want us to take more information on notice. The government has reduced its state appropriation by \$11.6 million over four years. However, \$7.7 million of this—and this is under 'climate change initiatives'—is now to be funded by the Green Industry Fund. That leaves a figure of \$3.9 million, which has been reprioritised from Carbon Neutral Adelaide and the Building Upgrade Finance program, which will be spent on other climate initiatives. The overall reduction from that area then becomes very small as a consequence of that.

I did not mention two other areas, one of which is the work of the Premier's Climate Change Council, led by Mr Bruce Carter, which has been tasked with undertaking a cross-agency climate change strategy, and I mentioned that in my introduction. That is the desire to get government agencies working a bit harder in terms of identifying what they could and should be doing around climate adaptation and mitigation, and also the development of a blue carbon strategy.

We have this chunk of money for coastal protection, and there are lots of different ways it could be used; that is \$5.2 million. We see a real opportunity for a blue carbon industry for South Australia, that is, seagrass restoration, wetlands habitat and the restoration particularly of saltmarshes and mangroves. The northern parts of your electorate, deputy leader, heading out of the city would be absolutely ideal to trigger a blue carbon industry in this state. We have allocated a portion of money—and I think that is just over \$500,000—to the Premier's Climate Change Council to undertake that across-government work and the blue carbon strategy.

When I was over in the USA recently, it became very apparent that there is a lot of really good work that can be done around blue carbon. The methodology around it is in its embryonic stages. It is an area where we could become a leader. Interestingly, Australia at the Paris climate talks for some reason—I am not quite sure how this happened—became the international lead on blue carbon. It is fair to say that we do not have a lot of runs on the board in that area. South Australia can absolutely get involved in this space and be a leader.

That will lead to habitat restoration. It will lead to carbon sequestration opportunities and it can trigger a whole industry around what blue carbon is and how we can be at the absolute forefront of driving blue carbon, so we are very keen to ensure that we continue that leadership. I believe that we are continuing that leadership in renewables and energy, but these practical initiatives around carbon sequestration and coastal protection means that we can build on what we have done previously and continue to do well in this area.

The CHAIR: Does the member for Morphett have a question?

Mr PATTERSON: Yes. With respect to coastal protection, I refer to Budget Paper 4, Volume 2, page 163. Minister, can you please outline what work will be done by the department in 2018-19 as part of the government's increased expenditure on coast protection?

The Hon. D.J. SPEIRS: Thank you, member for Morphett, and, as the representative of a coastal electorate, you would obviously have a personal understanding of how much the resilience and the survival of our coastline in metropolitan Adelaide means to the lifestyle of the people you represent. Not only is it a lifestyle asset but it is also a critical environmental and economic asset for many people and businesses that operate and enjoy the community that you represent.

Coast protection was identified by our government, from opposition, as an area which we could do better at. South Australia has 5,067 kilometres of coastline. It is a huge coastline. I took great pleasure in telling the people of California that our coastline was some three times longer than theirs, when I was over there at their climate change event a couple of weeks ago. However, it is a coastline with many points of vulnerability, particularly in metropolitan Adelaide. Why metropolitan Adelaide? Because, of course, 80-plus per cent of our state's population is located along the 100 kilometres or so of coastline that makes up the western flank of metropolitan Adelaide. As such, that brings unique pressures to the area.

Professor Chris Daniels often describes the siting of our capital city in the period following European settlement as having been on an ecological hotspot. If you looked at the place that meant

most to the environment, particularly the coastal environment, and decided to destroy it by building a capital city on it, you would have chosen that site. And that is what we did. We built our capital city on the most fragile and probably the most ecologically vibrant part of our pre-European colonisation landscape. Consequently, our coast has a whole range of challenges.

This government sees coastal protection as a critical area that requires considerably more investment in the short, medium and longer term. I believe the contribution we have made and built into the forward estimates, as announced on the 2018-19 state budget, needs to be only the beginning of our coastal protection undertakings. It is my intention to build the capacity of the Department for Environment and Water and the Coast Protection Board to lead our nation and lead the world in terms of coast protection.

I was able to announce on the weekend that, within that vulnerable 100 kilometres of coastline the vulnerable spot is West Beach and that area that stretches from West Beach South towards your own electorate around Glenelg and then somewhat north to Henley Beach South. That is a particularly vulnerable part of the coastline. It is a really tricky part of the coastline to get right nearly wholly because of infrastructure that has been constructed for recreational purposes largely along the coastline. I am talking about the West Beach boat ramp and breakwater and, obviously, the developments that make up the foreshore area at Glenelg and Glenelg North.

We announced on the weekend an additional \$1 million of funding to put additional sand on the beach at West Beach. That cannot be in isolation, though. Over the next two years, we are going to put, at a cost of \$500,000 per year over two years, 100,000 cubic metres of sand onto the beach at West Beach. We are going to borrow it—and I do say borrow it—from the member for Port Adelaide's electorate because that sand will come back. The great thing about the way the beach works is that it does go back. We will borrow it from the Semaphore part of that coastline and put it on the beach at West Beach over the coming two years.

However, we cannot do that in isolation. We have to now begin developing a very clear strategy as to how we are going to rebuild those beaches, rebuild the resilience of the beach and the sand dunes in particular, in a way that will provide the beach with climate resilience, increased storm event resilience in the longer term. Our budget includes \$1 million over two years—\$500,000 per year—towards the research and development required to look at how to keep sand on beaches in our metropolitan context and how we tackle that northward drift of sand, which leaves the beaches in my electorate and ends up in the deputy leader's electorate and passes yours on the way, member for Morphett.

We need to get better at this. We spend a lot of money reticulating sand around, which will always be part of the management of Adelaide's beaches, but we do need to look at ways to develop sand retention strategies as well. We have \$1 million for research and development. We have \$1 million towards seagrass restoration. I will not go into that in any more detail because I already covered it in my climate change contribution. Suffice to say, there are big opportunities for us there in habitat restoration, coastal protection from storm events and also carbon sequestration opportunities and economic opportunities.

We are also looking at developing artificial reefs. 'Artificial' is not necessarily the right word because they are artificial in the sense that they have not been there for a time and they will be constructed in an artificial way, but they will actually be really critical environmental assets. A few months ago, I travelled over to the artificial reef developed by The Nature Conservancy about a kilometre off the coast of Ardrossan on Yorke Peninsula, and there is an opportunity.

What has happened there is the construction of a really vibrant ecological environment through the creation of an artificial reef by The Nature Conservancy. They have developed a very unique understanding of how that happens, and my department is in talks about how we can share that understanding. We have an election promise to create three more of those artificial reef environments at spots off our coastline in South Australia.

We need to consult with communities and consult with the experts on where those reefs might be. I think it is important that one is developed in the metropolitan context, particularly because the Ardrossan reef is in a rural location and it is drawing tourists. It is drawing people to fish on it or near it because it creates habitat, but it is also providing exceptional diving opportunities. I think that

metropolitan Adelaide would benefit hugely from those, and we are talking about potential locations—very early days—as to where they might be.

The CHAIR: Thank you, minister, for a particularly fulsome answer to that question.

The Hon. D.J. SPEIRS: It is an area I am very passionate about, member for Flinders.

The CHAIR: Indeed you are.

Dr CLOSE: To close off the discussion we were having prior to that question and answer, I would appreciate it if the minister could take on notice the detail of how the \$7-odd million coming from the Green Industry Fund is being spent, as well as the current expenditure and staffing in the climate change directorate, and then we do not have to continue to talk about that, if that could be taken on notice.

The Hon. D.J. SPEIRS: Absolutely. I will undertake to provide you with that detail in a tabular form that goes through how that is provided.

Dr CLOSE: Thank you. In that case, I would like to turn to investing expenditure in Budget Paper 4, Volume 2, page 160. The way I read it is that the 2017-18 investment program was \$115 million and it is budgeted to be \$96 million in 2018-19. Can the minister explain the reason for that difference, the reduction?

The Hon. D.J. SPEIRS: I have no problem answering that, but can you clarify exactly which line you are talking about or exactly which component?

Dr CLOSE: Under 'Investing expenditure summary', it states, 'The 2018-19 investment program is \$96.6 million.' As I understand it, that program in 2017-18 was \$115 million, so I wonder why it appears to have dropped from one year to the next.

The Hon. D.J. SPEIRS: That is largely as a result of the commonwealth projects that have not been finalised yet. In the same way as it has that knock-on effect on staffing, it can contribute towards the overall investing budget. Some major projects are coming to an end. They include the high-value commonwealth funded infrastructure projects, including the Riverine Recovery Project and the South Australian Riverland Floodplains Integrated Infrastructure Program, better known as SARFIIP. I think that largely accounts for that quite substantial differentiation. I will clarify that with Mr O'Brien. Yes, that is the reason for that. The South East Flows drainage project is the other one that is coming to an end as well.

Dr CLOSE: Is that a state or commonwealth-funded project that is coming to an end?

The Hon. D.J. SPEIRS: No, that was largely commonwealth—90 per cent to 10 per cent.

Dr CLOSE: Another change from one year to the next that I would like to understand is captured in Budget Paper 3, page 143, which talks about general government sector expenses. Given that this is a grouping up of information, it may be that you need to take that on notice if the people with you are not clear. It looks as though there is a projected increase in the protection of biodiversity and landscape in that line from \$387 million in 2017-18 to \$431 million in 2018-19. Given that the departmental budget does not increase by that, I am interested to know what is in that calculation. As I say, I am happy for you to take it on notice. I am also paying attention to the fact that I need to read the omnibus questions in.

The Hon. D.J. SPEIRS: Yes, I will take that on notice, deputy leader, and get you the breakdown of how that was derived.

Dr CLOSE: In that case, I will try for one more question before I turn to the omnibus questions. It relates to the Native Vegetation Branch, as it was in my day; I do not know if it still has that title in the department?

The Hon. D.J. SPEIRS: Yes.

Dr CLOSE: Is there a savings requirement on that branch? If so, what is the scale of it?

The Hon. D.J. SPEIRS: Deputy leader, it is my view that the Native Vegetation Branch has taken a greater burden in terms of cuts in recent years than other parts of the department. This has

led to capacity challenges within the Native Vegetation Branch, which I think is still what it is called, so we have a backlog in terms of assessments. Because of that, there is a potential for reputational damage of the business of the Native Vegetation Branch, and it can sometimes be seen as an economic inhibitor when that is not necessarily the case.

As a consequence, rather than reduce the budget of that area, we are contributing an extra \$100,000 to provide some more resources in this financial year out of an existing reprioritisation within the department's budget—it is not a new budget allocation—to provide extra resources to try to not only clear the backlog of those assessments to hopefully improve the reputation of that part of our department but also get it doing exactly what it should be doing: providing good advice around the preservation of native vegetation in the state.

Dr CLOSE: I am glad to hear it. I will now turn to the omnibus questions if I may?

The CHAIR: Yes. You have time for one last question, if you wish, providing the minister can answer it quickly.

Dr CLOSE: That is okay. I have quite a number of questions that we have not got to, so they will all go on notice.

The CHAIR: In that case, we will come to the omnibus questions.

Dr CLOSE: Thank you. The omnibus questions are:

1. Will the minister provide a detailed breakdown of expenditure on consultants and contractors with a total estimated cost above \$10,000, engaged between 17 March 2018 and 30 June 2018 by all departments and agencies reporting to the minister, listing the name of the consultant, contractor or service supplier, the estimated total cost of the work, the work undertaken and the method of appointment?

2. Will the minister provide a detailed breakdown of the forecast expenditure on consultants and contractors with a total estimated cost above \$10,000 for the 2018-19 financial year to be engaged by all departments and agencies reporting to the minister, listing the name of the consultant, contractor or service supplier, cost, work undertaken and method of appointment?

3. For each department and agency for which the minister has responsibility:

- (a) How many FTEs were employed to provide communication and promotion activities in 2017-18 and what was their employment expense?
- (b) How many FTEs are budgeted to provide communication and promotion activities in 2018-19, 2019-20, 2020-21 and 2021-22, and what is their estimated employment expense?
- (c) The total cost of government-paid advertising, including campaigns, across all mediums in 2017-18 and budgeted cost for 2018-19.

4. For each grant program or fund the minister is responsible for please provide the following information for the 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 financial years:

- (a) The name of the program or fund;
- (b) The purpose of the program or fund;
- (c) Balance of the grant program or fund;
- (d) Budgeted (or actual) expenditure from the program or fund;
- (e) Budgeted (or actual) payments into the program or fund;
- (f) Carryovers into or from the program or fund;
- (g) Details, including the value and beneficiary, of any commitments already made to be funded from the program or fund; and
- (h) Whether the grant was subject to a grant agreement as required by Treasurer's Instructions 15.

5. For the period of 17 March 2018 and 30 June 2018, provide a breakdown of all grants paid by the department/agency that report to the minister, including when the payment was made to the recipient, and when the grant agreement was signed by both parties.
6. For each department and agency reporting to the minister:
 - (a) The total number of FTEs in that department or agency;
 - (b) The number of FTEs by division and/or business unit within the department or agency; and
 - (c) The number of FTEs by classification in each division and/or business unit within the department or agency.
7. For each department and agency reporting to the minister, could you detail:
 - (a) How much is allocated to be spent on targeted voluntary separation packages in 2018-19?
 - (b) How many of the TVSPs are estimated to be funded?
 - (c) What is the budget for TVSPs for financial years included in the forward estimates (by year), and how are these packages to be funded?
8. For each department or agency reporting to the minister in 2018-19 please provide the number of public servants broken down into headcount and FTEs that are (1) tenured and (2) on contract and, for each category, provide a breakdown of the number of (1) executives and (2) non-executives.
9. Between 30 June 2017 and 17 March 2018, will the minister list the job title and total employment cost of SA executive positions—(1) which has been abolished and (2) which has been created?
10. Between 17 March 2018 and 30 June 2018, will the minister list the job title and total employment cost of SA executive positions—(1) which has been abolished and (2) which has been created?
11. For each year of the forward estimates, please provide the name and budget for each individual program administered by or on behalf of all departments and agencies reporting to the minister.
12. For each year of the forward estimates, please provide the name and budgeted expenditure across the 2018-19, 2019-20, 2020-21, 2021-22 financial years for each individual investing expenditure project administered by or on behalf of all departments and agencies reporting to the minister.
13. For each department or agency reporting to the minister how many surplus employees are there at 30 June 2018 and for each surplus employee, what is the title or classification of employee and the total cost of the employee?

The CHAIR: Thank you, deputy leader. There being no further questions, I declare the examination of the proposed payments for the portfolio of the Department for Environment and Water to be completed. In accordance with the agreed timetable, the committee stands suspended until 4.30pm. The bells will ring for just two minutes prior to us reconvening.

Sitting suspended from 16:14 to 16:30.

Departmental Advisers:

Mr A. Fletcher, Chair, SA Water Corporation Board.

Mr J. Hollamby, General Manager, Business Services, SA Water.

Mr D. Percevault, Senior Manager, Finance, SA Water.

Mr R. Faunt, Director, Technical Regulation, Office of the Technical Regulator.

The CHAIR: Welcome back everybody to the sitting of Estimates Committee A. I call on the minister to make a statement, if he wishes, and introduce his advisers.

The Hon. D.J. SPEIRS: Thank you, Mr Chair, for your introduction. I would like to make an opening statement, but I would also like to firstly introduce the SA Water team, as well as the representative from the Office of the Technical Regulator. Firstly, I would like to introduce Mr Andrew Fletcher AO, Chair of the SA Water Board, and I would like to publicly thank Andrew for recently taking on that role. I would also like to introduce, on my left, Jamie Hollamby, General Manager of Business Services within SA Water.

We are also joined by Darren Percevault, Senior Manager of Finance within SA Water, and I have behind me Rob Faunt, Director of Technical Regulation in the Office of the Technical Regulator. Roch Cheroux, with whom many people would be familiar, is on leave at the moment and unfortunately could not join us at estimates today. He is devastated by that, and I am sure he is tuning in from Europe via the parliamentary streaming system; I hope it operates overseas.

The CHAIR: Minister, the whole world is tuning in, I am sure.

The Hon. D.J. SPEIRS: Excellent; that is good to hear. SA Water's role is to provide safe drinking water and reliable sewerage services at affordable prices to approximately 1.7 million South Australians every day. As a statutory corporation reporting to an independent board, SA Water is within my portfolio as the Minister for Environment and Water. South Australian residents require a high level of support and customer centricity from SA Water, and it is a key focus of the new government to ensure that SA Water delivers exceptional customer service.

During 2017-18, SA Water continued operating towards its vision of providing world-class water services for a better life to South Australians while evolving their strategy and plans to ensure that the corporation delivers solutions that are important to their customers. Furthermore, driving industry and development forms a key part of SA Water's strategy and focuses on SA Water being a leader, not just nationally but also internationally, in innovation and technology.

A key example of this innovation is SA Water's goal of achieving zero net electricity costs, which will fundamentally change SA Water's electricity cost structures to enable delivery of lower and more stable customer prices. This will be achieved through the installation of sufficient self-generation and storage to reduce SA Water's net electricity cost to zero from the 2020-21 financial year. As members of this committee today would be aware, South Australian households and business have been experiencing growing and more volatile electricity prices over the past few years. As power costs represent some of the largest variable costs borne by SA Water, this results in higher costs to supply water to SA Water customers.

This initiative is in line with our government's commitment to easing cost-of-living pressures, and is the single largest way SA Water can reduce its operating costs to deliver sustainable savings as well as a low and stable price path for its customers. As I did in the previous estimates hearing, it is important to acknowledge where good work was initiated under the previous government and give credit where credit is due, and that project has very much been initiated under the previous government and will be delivered under the new government.

Another solution that SA Water is expanding is its Smart Network program, which will build on the Adelaide CBD's smart network and commence introducing technology to five targeted locations around South Australia, which include North Adelaide, Athelstone, Port Lincoln, Penneshaw and a section of the Hope Valley-Athelstone trunk main on Gorge Road. Through an expanded network of flow meters, water quality sensors, leakage sensors, pressure meters and other smart meters, the expansion will further enable SA Water to make more informed short and long-term network operation and asset management decisions that will ultimately deliver customers a better service.

South Australians rely on SA Water's services multiple times every day through a range of interactions. The interactions can be as simple as providing water to residential customers through to working arrangements with large water users, such as agricultural users, who will benefit from the Northern Adelaide Irrigation Scheme.

I would like to take this opportunity to acknowledge the recent changes to the SA Water board and, in particular, thank outgoing chair, the Hon. Carolyn Pickles, as well as the other departing board members, Ms Karlene Maywald and Ms Sybella Blencowe, for their stewardship of SA Water over a number of years. I would particularly thank Carolyn Pickles for agreeing to be interim chair following the change of government and providing a transition arrangement to the new chair. I greatly appreciated her support and leadership during the change of administration.

I also today welcome our new chair, Mr Andrew Fletcher AO, who sits with me as part of this committee. It is also good to be able to welcome Ms Fiona Hele, Ms Janet Finlay and Mr John Bastian, who have joined the board and who all bring a wealth of experience to their positions. For continuity, Sue Filby and Ian Stirling have continued in their role as board directors of SA Water.

I have spoken to each of the new board members about the importance that SA Water plays in this state and their duty as a board member to deliver high-quality and affordable water to all South Australian residents, while also continuing SA Water's recent performance in terms of improved customer service and the focus that the organisation has had on that outcome. I look forward to working with the board and delivering our services to the people of South Australia.

The CHAIR: Does the lead speaker for the opposition wish to make an opening statement?

Dr CLOSE: No, I do not—

The CHAIR: If not, I invite questions.

Dr CLOSE: —although I would like to hear more about Roch's trip to France, but I will find out later. Let's start with Budget Paper 3, page 58, dividends. I note that the dividends paid to government are forecast to significantly grow in the budget estimates: in 2018-19, it is \$225.4 million; in 2019-20, it is \$336.5 million; another \$236 million in 2020-21; and \$252 million in 2021-22. This is significantly more than the dividends paid to the previous government. Can the minister advise what additional revenue measures SA Water has forecast in order to make sure that they are able to meet this growth in dividends?

The Hon. D.J. SPEIRS: I will provide some initial context and then see if either Mr Fletcher or Mr Hollamby wish to provide any more clarity or detail. SA Water's dividend to government is estimated to be, as the deputy leader mentioned, \$137.4 million in the 2017-18 financial year. That is in comparison with the original budget of \$138.8 million, so there is a small reduction. The result is in line with the original budget and reflects a number of factors.

These factors include higher than budgeted revenue from selling surplus renewable energy certificates, recognition of augmentation works revenue and increased demand for water, and lower interest expense due to lower borrowing requirements in 2017-18 to meet a 45 per cent debt to assets ratio due to SA Water's gearing ratio currently being above 45 per cent. This was offset by higher asset write-offs largely due to water allocations, asset values in 2017-18 that needed to be written off by SA Water and additional depreciation as a result of the accelerated mains replacement undertaken during the year. I will ask Mr Hollamby or Mr Fletcher whether they want to add anything more.

Mr HOLLAMBY: SA Water does independent valuations of its assets every year. They came in lower than previously anticipated. As a consequence of that lower than expected asset valuation, the debt transfer originally anticipated in last year's budget did not occur. This also results in interest and depreciation expense of SA Water being lower than previously estimated. This, therefore, results in an increased level of profit and subsequent dividends, as well as the tax equivalent payments that SA Water makes to government.

Dr CLOSE: Perhaps for the sake of clarity, can the minister guarantee that water prices will not be increased in order to provide these dividends over the forward estimates?

The Hon. D.J. SPEIRS: Yes. That will not impact water prices in any way. The new government, when in opposition during the four years that I was part of this parliament and since taking government, has been very clear that making every effort to reduce the cost of living and the cost of doing business in South Australia is an absolutely critical part of our work, whether that is reducing the emergency services levy, aiming to put a cap on council rates, reducing payroll or land

tax, putting downward pressure on energy prices or, of course, putting downward pressure on water prices.

All those things make up a suite of levers that the state government has at hand to reduce cost of living for South Australians, both at the household level and at the business and industry level. It is very much our intention to do all that we can, outside major global factors, to reduce the cost of living for South Australians. As a consequence, we will continue to pursue policy settings that will drive down water prices in South Australia, not add to them.

Our great support—and it really is a very great support—for the zero net electricity costs project being pioneered by SA Water is in the vein of putting downward pressure on water prices. We will also have our independent review into water pricing led by our Treasurer, Mr Rob Lucas, with SA Water being a very significant stakeholder in that review. That review will take a very thorough and independent look at how water prices are set in South Australia and, again, how we might put downward pressure on water prices to reduce cost-of-living pressures for South Australians.

Our intention, and everything that this government does, is to reduce cost of living. That is a prism through which we see the vast majority of our cabinet deliberations, because we believe that water, along with energy, are major levers that drive investment, lower cost of living, lower cost of doing business and, consequently, the economic development and livability of our great state.

Dr CLOSE: Staying on that page but changing the topic slightly, can the minister advise the number of water main breakages reported to SA Water for the 2017-18 financial year?

The Hon. D.J. SPEIRS: What page was that?

Dr CLOSE: I am still referring to page 58 in terms of the expenditure. I am happy for it to be taken on notice also, as it was not anticipated as a question.

The Hon. D.J. SPEIRS: I will provide the committee with an overview of the break rates and pipe failures, as well as the mitigation strategies that are around that, which I am sure will be interesting for everyone. SA Water invests in the ongoing renewal of its infrastructure on an ongoing basis. Since the 2016-17 financial year, the corporation has invested \$167.7 million in major and minor projects to upgrade its water and wastewater pipe infrastructure across South Australia.

The previous government increased the level of investment in pipe renewables by \$55 million over the previous two years, and that investment has been completed ahead of schedule. I have now asked the SA Water Board to evaluate the success of the delivery of that increased investment and undertake an analysis of where future investment is needed to ensure that we continue to keep on top of mitigating break rates and pipe failures, particularly in metropolitan Adelaide, where they have the capacity to cause very significant disruption.

When you have a corporation or utility that provides water as its core business, there will inevitably be breakages of infrastructure along the way. We must do all we can to invest in infrastructure and mitigation strategies to deal with that. As I mentioned, SA Water is monitoring and evaluating the impact of recent additional investment to ensure that it has had the impact that we hoped for.

It is estimated that in the current financial year, the 2018-19 financial year, SA Water will invest approximately \$38.2 million in projects to upgrade its water and waste pipe infrastructure across South Australia. I am advised that this is in line with its historic spending. Again, the board will be taking a very close look at the effectiveness of this spending and where it needs to be targeted.

You asked specifically about the breakage rates. In the metropolitan context, as at July 2018, the 2017-18 metropolitan network had 1,693 failures at a failure rate of 18.2 failures per 100 kilometres per year. This is the same break rate as the metropolitan failure rate that was endured in the 2016-17 financial year, so there has been no change at all in terms of the level of break rates between those two financial years. With the additional targeted investment that has previously occurred in those trouble hotspots, one would hope that, in the near future, we will start to see the benefit of that passing through into the figures.

Based on the water main capital expenditure forecast, the failure rate for the metropolitan area is modelled to reach 17.5 failures per 100 kilometres per year by the end of the 2018 financial

year. We hope that that will trend down slightly and that the plateau we have had between 2016 and 2018 will trend down slightly in 2019.

For completeness, I will provide the regional performance. Regional water networks have had an average of 1,947 failures per year at a failure rate of 10.8 failures per 100 kilometres between 2013 and 2017. As of July 2018, the 2017-18 regional water network has had 2,168 failures at a failure rate of 12.2 failures per 100 kilometres per year. This is actually a 9 per cent increase compared with the regional failure rate of the previous year.

The service in regional South Australia is perhaps an area we need to take a good look at because that trend upwards between the two most recent financial years is not one we want to continue. Based on the water main capital expenditure forecast, the failure rate for regional areas is modelled to reach 10.1 failures per 100 kilometres per year by the end of 2018-19, which, fingers crossed, is a reduction on the previous years.

Ms COOK: Minister, my question is in regard to Budget Paper 3, page 86, SA Water annual programs. Is the minister aware that former SA Water water quality expert and South Australia's chief scientist, Professor Don Bursill, has said:

Allowing recreational access to water storages that are primarily part of our public water supply system may seem like a good idea. However, there is a real and significant risk associated with opening up the system in this way.

Does the minister agree that there is a significant health risk in allowing recreational activity to take place in drinking water reservoirs?

The Hon. D.J. SPEIRS: Member for Hurtle Vale, this question should have been put to me under the corresponding budget line within the Department for Environment and Water's budget estimates hearing; however, I am happy to provide brief commentary.

Of course, we should take all precautions to ensure that recreation on drinking water storage is undertaken in a way where risk management frameworks are carefully put in place. Obviously, Professor Bursill's comments are relevant and should be respected, but rest assured that, as the minister responsible for water and SA Water, I am not going to make any decisions that will put our water supply at any risk.

I am disappointed that the opposition would seek to incite fear regarding this matter. We know that this is hugely popular among South Australians. We have a responsibility as legislators and as policymakers to undertake the delivery of this commitment—and it is a commitment of the government—in a way that is balanced and sensible, taking into consideration the relevant science and risk mitigation strategies that one would expect from their government. The idea that that would not be the case is neither fair nor rational.

We are undertaking a very significant body of work involving SA Health and the public health division working alongside SA Water and the Department for Environment and Water to ensure that we have worked through risk mitigation in a thorough way. It is very important that we do not unnecessarily instil fear in the minds of South Australians about a body of work that is occurring in other states without any problem and can be appropriately managed here. As I referred to in my previous answer in the hearing we just had under the portfolio for the Department for Environment and Water, we have formed a task force to undertake this work. That task force has a number of subcommittees, each of which are looking at various aspects of opening up our reservoirs.

I also informed the committee that the recreational pursuits that would be allowed in and around reservoirs would form a hierarchy of sorts, which would see different activities occur on different reservoirs. It may be that some reservoirs would have only walking trails around them. That may be all that the community in that particular proximity would want, whereas others may look to more sophisticated activities such as fishing or perhaps kayaking and paddleboarding. We will work through that in a very careful and methodical way in the coming months and years.

Ms COOK: In the spirit of collaboration and just to qualify, I am certainly not trying to scare people. As the member for the area, I not only visited the reservoir but I also wrote a number of letters seeking clarification from SA Water—that is why I have raised it in here—regarding the reservoir and its safety in terms of opening. Every time, I was given very consistent responses around making sure

that we were not exposing the public to risk and that it was a significantly expensive exercise to put in any purification systems or extra filtering.

The Hon. D.J. SPEIRS: Yes, and I think what you say is very fair, member for Hurtle Vale, because that was SA Water's position as a corporation owned by the government of the day. I think that SA Water has now had an opportunity to work through its position on this and look for opportunities where this could occur. Some of that advice, I am sure, was predicated on the idea that you would open up reservoirs in full and for a whole range of activities, from motorsport down to walking and everything in between. We have certainly ruled out motorised activities on reservoirs.

I have also been very open that you might only open parts of reservoirs, as I mentioned before. Some may be only for walking; others may be for very light touch interaction, but we are about that light touch approach and we want to get this right. As the local member, as I am as well for one of those reservoirs, and it is the same one in our case, I will be happy to work alongside you as we deliver this project.

Ms COOK: Thank you for your response. With respect to this budget area, has there been any budget set aside for any capital investment that would add to the water treatment process?

The Hon. D.J. SPEIRS: No, not at this stage, and I should say that that is something that is being investigated by one of those subcommittees referred to in the previous estimates hearing (Mr Schutz from the environment department referred to it), and if that were deemed necessary for particular locations, of course, that would impact what occurred there.

Ms COOK: Thank you very much for that. In respect of that, has there been any modelling done with regard to potential cost for such infrastructure?

The Hon. D.J. SPEIRS: I understand that SA Water has provided advice over the years on that, but there are so many variables with regard to this that I would not want to mislead the committee. I think that this task force has to work out what is needed and where, if at all, and then undertake up-to-date modelling.

Ms COOK: Is the minister aware of any current expenditure regarding security around SA Water's reservoirs?

The Hon. D.J. SPEIRS: I am not sure of that. I can take that on notice. Of course, the opening up of our reservoirs would make them considerably more secure than they are at the moment due to the impact of passive surveillance. The reservoirs that we have around our state are particularly isolated locations, and even the ones in metropolitan Adelaide can have a certain sense of isolation. I know that Happy Valley does have quite an isolated feel around it when I have toured it, partly because of the large area of land that surrounds the water.

Activity, whether it be people walking and cycling passing by that reservoir, would certainly, in my view, enhance the overall security of the site as opposed to diminish it through just the passive surveillance, in the same way that people milling around schools in our community and having access to play sport on school ovals can often contribute towards a safer overall school campus in terms of minimising vandalism and things like that. The idea of passive surveillance through people walking and interacting with reservoir sites is certainly something that could enhance their overall security.

Ms COOK: I have just one last question in respect of this subject. Has there been any risk assessment or any discussion and advice regarding any compromise or potential compromise to infrastructure in respect of the solar panel project that would be on the Happy Valley reservoir should it be opened up to public use?

The Hon. D.J. SPEIRS: That is again a good question. How does the infrastructure that is foreseen around Project Zero interact with potential recreational opportunities? In terms of the delivery of Project Zero, while imminent in many ways, there is a level of flexibility around it, and that is certainly being taken into consideration with regard to opening up the reservoirs. The task forces that have been established to look at this are taking into consideration the impact of Project Zero, where solar panels might be sited and how any conflict or perceived conflict could be dealt with.

Again I come back to the point that only parts of our reservoirs are likely to be open for recreation, whether that be the terrestrial part or the water-based parts. When I was recently in

Queensland on a personal trip, I toured a couple of reservoirs and looked at how they were operating. There are various ways of sealing off parts of reservoirs with floating buoys and things like that. It seems to operate as a part of the business of those reservoirs being open, and that would certainly be our intention. If there were floating solar panels—and they would not all be floating; some would be put on the portions of land surrounding the reservoirs—those projects would obviously be protected.

Dr CLOSE: I understood from the previous discussion with the Department for Environment and Water that, although they are directing the task force on opening up their reservoirs, SA Water is responsible for the subcommittee on water security, I think is the correct title. Are there formal terms of reference for that subcommittee that could be made available? Has any research been commissioned by the subcommittee either on risks to human health through having activity on our water supply or—and, again, one does not want in any way to be alarmist—the potential question of terrorist-related activity? Has any research been commissioned to investigate those risks and how they might be mitigated?

The Hon. D.J. SPEIRS: Terms of reference have been developed for each of those. There are certainly terms of reference for the overall task force. I imagine that the subcommittees would have terms of reference as well. I can take that specifically on notice. I am happy to provide you with that advice in due course and also the security side of things and whether they have commissioned research into that. It has been mentioned occasionally on talkback radio and the like, but I think the idea that opening up our reservoirs would somehow increase terrorism is a furphy at large.

Again, passive surveillance would make our reservoirs safer. I do not attempt to think like a terrorist, but I am sure if I was and was thinking like one I could find ways of accessing the reservoirs without them being open to the public. In fact, we have to remember that there are many reservoirs in more populous states that are open to the public at the moment and there have been no such incidences of terror. If terrorists were minded to attack, I do not believe that access to water treatment plants and water pipelines is something that would be impacted one way or the other, in a preventable sense, by public access to reservoirs.

Dr CLOSE: But you will take the question of specific research on notice?

The Hon. D.J. SPEIRS: I certainly will.

Dr CLOSE: Can I turn now to the Murray-Darling Basin Plan. I refer to Budget Paper 4, Volume 2, page 159, which has a reference to delivering the Murray-Darling Basin Plan on time. There is a question of the cost of running the Desalination Plant that could potentially be included as part of water efficiency measures. I believe the minister back in May made a reference in public to being open to looking at a range of efficiency measures. What would be the additional cost if that were to proceed, and has the minister received any advice from SA Water about the cost of operating the desalination plant as part of this? That is exactly the same question. Sorry, I am repeating myself. I apologise.

The Hon. D.J. SPEIRS: I will only answer it once. The deputy leader would be aware that there is a view by upstream states that South Australia should turn on that Desalination Plant. It is almost as if there is a switch that can be flicked and we are being belligerent that we do not use it. That is certainly the view when I have been involved in ministerial councils and speaking to people in other states, that the Desalination Plant should be used as part of our water provision or water supply in South Australia.

I see the Desalination Plant, as I believe the previous government saw it, as a water security feature as opposed to a water provision feature, and it is there to be part of a suite of water security strategies should the unfortunate time arise when we need to kick it in. As a negotiating minister attempting to instil faith in South Australia's negotiations around the Murray-Darling Basin Plan and contributions to the fulfilment of that plan, my view has always been to say that we are open-minded around the operation of the Desalination Plant if it could meet the neutral or positive economic and social aims that are built into the plan.

The Desalination Plant would not do that without an envelope of money sitting alongside it because the Desalination Plant produces water that is considerably more expensive than water

sourced from either our Hills catchments and our reservoirs or where we get the majority of our capital city's water from, being the River Murray. I have sought advice on the cost so that I could provide that information to the commonwealth in case they were somehow motivated to provide the state with a provision to turn on the Desalination Plant.

I have sought advice as to how much it would cost and I have provided that figure. This is going to sound like a big gap between the two figures, but I think it was between \$40 million and \$50 million to turn on the Desalination Plant. It is a 100-gigalitres plant, and that is a yearly production. To produce that 100 gigalitres, it would require \$40 million to \$50 million to do so in a way that would not then be passed on to South Australian residential and industrial users of water. So I sought that advice and I provided it to the commonwealth. I can confirm that we have not received a grant or an envelope with that money yet, but you never know.

Dr CLOSE: I refer to Budget Paper 3, page 86, which lists the SA Water annual programs. As we asked questions about in the previous committee session, there is a variance in expenditure from one year to the next. This lists 2018-19 in the annual program spending being \$277.4 million. I understand that in 2017-18 the annual programs budget was \$313 million. Can you explain the variance to me?

The Hon. D.J. SPEIRS: I will pass to Mr Hollamby to provide a bit more detail on that.

Mr HOLLAMBY: There is quite a lot of detail involved in that. If it is okay, we will take that on notice and provide you with the detail of the variance.

Dr CLOSE: Is it possible to give me any big headings of why it would drop, or is it all in small detail?

Mr HOLLAMBY: There are a number of line items, so I would be happy to provide that on notice.

The Hon. D.J. SPEIRS: I think we will take that on notice if that is okay, deputy leader.

Dr CLOSE: Absolutely. What would also be of interest to me is whether that variance is projected into the future forward estimates and whether it has varied by that degree in the term of the last budget, just so I can have a sense of how those annual programs shift over time.

The Hon. D.J. SPEIRS: I am more than happy to take that on notice.

Dr CLOSE: Thank you, I appreciate that. I now turn to Budget Paper 4, Volume 3, SA Water expenditure. In the last session, the minister was clear that the cost of hiring green plants—I know it has a different meaning when you are talking about infrastructure for SA Water—and maintaining them had been curtailed significantly for the Department for Environment and Water. I am wondering if that has also been applied to SA Water's expenditure?

The Hon. D.J. SPEIRS: Yes. In my intro I did say that that was the case for the Department for Environment and Water. What we did was we renegotiated the contract so that we would get the same output but for a cheaper cost, which is always a good outcome. That was with regard to the Department for Environment and Water. I also wrote to the other organisations that I have responsibility for when I became the minister, being SA Water and the EPA, and advised them that it would be my desire that they undertake similar activities. I believe that was achieved by SA Water, wasn't it, Jamie?

Mr HOLLAMBY: Yes, a large majority of the previous plants in SA Water House were removed in 2014, so the expenditure has basically been at a lower level since that time.

The Hon. D.J. SPEIRS: There is very minimal expenditure.

The CHAIR: The member for King has a question.

Ms LUETHEN: I refer the committee to Budget Paper 3, page 86. Will the minister please outline for the committee SA Water's goal for reducing its net electricity costs to zero by 2020-21?

The Hon. D.J. SPEIRS: Thank you for that question, member for King. I know you have shown significant interest in this, both in the house and when we visited Hope Valley Reservoir in the north-east of our city to launch this project. As I said in my introduction, when I made brief remarks

about this matter, this was a project that was initiated under the previous government. It is a project that contributes to South Australia's leadership in the overall renewables industry, which I talked about in the previous committee as well, and it is a project that we can showcase to the world.

As I mentioned in the previous committee, when I was recently in California representing the state at the climate summit this was one of the projects that I talked about and one that people showed particular interest in. There is no doubt that it is a project by a utility to reduce its energy bill through investment in renewables, which does give us an international leadership role.

As members of this committee would be well aware, South Australian households and businesses have been experiencing growing and more volatile electricity prices over the last few years. Water and power prices have increased in recent years, putting pressure on South Australian individual households, families and businesses. As such, this government wants to do whatever it can to put downward pressure on water bills. To help achieve this, SA Water has started work to reduce its net electricity costs to zero from the 2020-21 financial year. This will be achieved by installing solar generation and energy storage solutions around the state and is budgeted at around \$390 million of investment.

Given that SA Water is one of the largest electricity users in the state, this initiative will fundamentally change SA Water's electricity cost structure to enable delivery of lower and more stable customer prices in the long term. It will obviously also have a role in reducing the emissions that are created because of the business and operations of SA Water. By removing such a large electricity user within our state from the grid, it contributes to the overall stability of South Australia's electricity network as well.

Key to the initiative is delivering an ongoing bill saving to customers. While the exact dollar figure around the saving that can be achieved will vary depending on various factors between now and the rollout and completion of the implementation of this project, it is the largest single way SA Water can reduce its operating costs to deliver sustainable savings and a low and stable price path for its customers.

Another benefit is localised energy generation and smart storage technology, which enhance SA Water's ability to provide water and wastewater services to its customers in the event of a major network outage. Members of this committee may recall the widespread failure of the electricity transmission network during the statewide blackout in September 2016. The particular risks associated with your major water utility and sewerage provider losing power cannot be underestimated.

Overall delivery of the project will be managed in accordance with standard SA Water procurement and delivery methods. Following the request for a solution and the tender being issued in July 2018, SA Water expects to award contracts to deliver the capital works for this project in November 2018. I certainly look forward to keeping the South Australian community, members of this house and, in fact, the international utility community, because there is definitely interest in the work we are doing here—all stakeholders and interested parties—up to date as we progress towards the implementation and completion of this project.

The CHAIR: Having reached the agreed time, I declare the examination of the proposed payments for the portfolio of SA Water to be completed.

Departmental Advisers:

Mr T. Circelli, Chief Executive, Environment Protection Authority.

Mr R. Jacka, Chief Finance Officer, Environment Protection Authority.

Mr P. Dolan, Director, Regulation, Environment Protection Authority.

Mr K. Baldry, Director, Science and Information, Environment Protection Authority.

Ms K. Bellette, Director, Strategy and Assessment, Environment Protection Authority.

The CHAIR: The next portfolio is in relation to Environment Protection Authority, Zero Waste/Green Industries SA. The minister appearing is the Minister for Environment and Water. The estimate of payments is Department for Environment and Water, \$151,819,000, and the Administered Items for the Department for Environment and Water, \$28,157,000.

I declare the proposed payments open for examination and refer members to the Agency Statements in Volume 2. Minister, I call on you to make a statement, if you so wish, and to please introduce your advisers.

The Hon. D.J. SPEIRS: Thank you, Chair. It is good to be joined by senior staff from the EPA. I would like to introduce on my left Tony Circelli, the Chief Executive Officer of the Environment Protection Authority. On my right is Richard Jacka, the Chief Finance Officer. Behind me is Peter Dolan, Director, Regulation; Keith Baldry, Director, Science and Information; and Kathryn Bellette, Director, Strategy and Assessment.

The Environment Protection Authority as the state's environmental regulator plays an important role in working to deliver a better environment for the health, wellbeing and prosperity of all South Australians through the regulation of pollution, radiation and waste management activities. Decisions taken today will leave legacies for generations to come. A long-term vision and evidence-based policies are required to ensure the protection of our environment. Over the past year, the EPA has continued this work by strengthening its engagement with industry and the community and by progressing a number of legislative and regulatory reforms.

The EPA is working with local government by continuing to provide training, information and on-site support to assist and support them in the management of local nuisance issues. The EPA has also continued to support small and medium enterprises, including developing an industry guideline for community engagement to assist industry to build its community engagement capability and achieve better outcomes.

In 2017-18, EPA Board Presiding Member, Linda Bowes, and Deputy Presiding Member, Allan Holmes concluded their terms after long periods of service, and I thank them for their valuable contribution. Linda and Allan's positions were filled by existing EPA Board members, with two new board members appointed in July 2018. I welcome the appointment of Ms Catherine Cooper as the EPA Board's Presiding Member and Dr Stephen Christley as Deputy Presiding Member, and I look forward to working with them.

Building on the strong progress made in 2017-18, the EPA will continue its work in fulfilling its vision for a better environment for the health, wellbeing and prosperity of all South Australians. In late 2018, the EPA will release its State of the Environment report, which reports on the condition of the state's natural resources and trends in environmental quality. The report is an important contribution to improving the publicly available information about South Australia's environment.

In 2018-19, work will continue to appropriately regulate industry, including working with Flinders Power on both short and long-term actions to minimise the incidence of dust impacting the people of Port Augusta. The EPA will also progress key areas of its waste reform agenda, including mass balance reporting, which aims to facilitate material flow reporting by waste facilities to strengthen the waste economy while minimising stockpiling.

I am confident that by continuing to implement a modern approach to regulation in its policymaking, development assessment, licensing and enforcement, and by supporting innovation and working closely with communities, industries, research bodies and governments, the EPA will be able to effect real and positive changes for a better environment not just today but for generations to come.

The CHAIR: Thank you, minister. Does the lead speaker for the opposition wish to make a statement?

Dr CLOSE: No.

The CHAIR: If not, I call for questions. Deputy leader.

Dr CLOSE: Thank you very much. If we can start with the second program run by the EPA, radiation, on pages 17 and 18 in Budget Paper 4, Volume 3. There are growing questions about the

prospect of a national waste repository for nucleated waste. I am interested to know whether the EPA has been engaged in discussions about the transport of such material and its security.

The Hon. D.J. SPEIRS: That is a good question. I will refer to Mr Circelli in a moment for information on any conversations that might have unfolded of which I am not aware. It is fair to say that this topic has divided communities in our state. There are very mixed opinions, and this poses a range of challenges for a state government in the midst of a federally driven and largely federally regulated environment.

It is an area where most if not all of the information is held by the federal government. As such, I am not sure what we can give in terms of the content of discussions without referring to our federal colleagues. I will pass to the chief executive to see whether he has anything more to provide on that.

Mr CIRCELLI: Thank you, minister. We are in very regular contact with ARPANSA, which is the commonwealth regulator, in particular. We have a very strong relationship; in fact, we have a very strong leadership position in terms of best practice standards for radiation protection, both in Australia and internationally.

You are quite right to say that our regulation of commonwealth activities is obviously quite limited, but we have had discussions directly with ARPANSA around that particular eventuality. We have not really progressed that because we are really just waiting to see what happens with it, but there is certainly a very strong willingness to work with each other.

Whilst we do not have regulations on the transport of those particular wastes, if any of those come into the state, should that happen, there would ultimately need to be discussions around that. If there were any issues associated with spillages or accidents and so forth that would certainly trigger state responses, so there would need to be further discussions should some facility eventuate.

Dr CLOSE: I turn now to fees and charges, listed on page 14 of Budget Paper 4, Volume 3. With the fines, fees and penalties, how much additional money is anticipated as income from these fees to the EPA, and what consultation has occurred with industry about the increase in fees?

The Hon. D.J. SPEIRS: I think it is fair to say that there is one thing I have been impressed with in the work of the Environment Protection Authority—and this is not something that has changed overnight when our government came to power but is something that probably goes back to the problems the previous government experienced with the Clovelly Park situation. That really initiated the organisation's board and the overall administration of the organisation to reposition itself when it came to community engagement, not just with those who might be impacted by pollution, air and water quality problems but also with the people who might be involved in creating those problems, the industrial stakeholders that are regulated by the work of the Environment Protection Authority.

I have been impressed by the work the organisation has done, the link it has built with industry and with business in our state, and the fact that it now sees itself much more as a partner with business and industry as opposed to a barrier to economic development. I think the chief executive and his team are to be congratulated on that approach. I say that by way of context because it has enhanced the way discussions have been held with industry when it comes to the various fees, licences and charges the EPA is responsible for.

There is a regular consultative dialogue between different parts of industry and the EPA in terms of the fees it administers. Obviously businesses do not always enjoy having levies and charges and licence fees directed in their direction, but I believe the EPA has built a much more thorough and robust relationship with our business community so that they can understand not only why fees rise but also where that money goes and how it helps build a more resilient environment in our state for industry to operate within.

I will pass to the chief executive to see whether he wants to add specific detail around the quantum of rises, or anything more on consultation.

Mr CIRCELLI: In total, it will be an increase of cost-recovery fees of about \$2.3 million. We will not see that increase happen in full until the 2020-21 budget year. The majority of those fees, or over half those fees, will come by a new initiative to license underground petroleum storage systems,

so most of our retail service stations across the state. It is not something that is unusual. We had one of the senior officers from the ACT environment department over today talking about the regulation that they put in place over a number of years, as well as fees for that regulatory purpose.

We currently have over half of our contaminated sites in South Australia associated with current or past petrol stations. To date, they have not been paying any fees associated with the very significant amount of regulatory work that we do as an organisation. We will be working with them over the next 12 months to see how exactly we will recommend to government how those fees will be established. We have contacted all the major service station owners. They have all been very receptive to date and have all been willing to come and talk to us and work with us in terms of how a fair and equitable fee regime can be set up in South Australia.

Importantly, it will also give us, for the first time, a much stronger proactive licensing arrangement around the monitoring and management of issues that we see in petrol stations, in the main for site contamination but also other nuisance issues that we often have to manage. So that is a very good outcome for local communities that might be impacted by activities on these sites.

The other area has been around having a fairer and more equitable cost recovery system for the administration of regulatory services that we provide for the resource recovery sector. When the fees were established under the Environment Protection Act for cost recovery many years ago, the resource recovery sector was really very unrecognisable compared to the way that we see it today, which is a fantastic outcome for the state, as you know, but they have not really kept up with their fair share.

We put a lot of regulatory effort into the resource recovery sector. We have a lot of issues, in terms of being clear around policy issues around resource recovery sectors, that require quite a lot of work from my officers, and what this initiative will do is redress that. It is a small initiative to redress their fees, as opposed to the fees taken from landfill. At the moment, landfill is really almost cross-subsidising the resource recovery sector, so we want to take the opportunity to balance that back out, but that is an extra \$300,000. It is not a great deal of money, but it is a fair and equitable approach in that area.

The last one is something that the minister touched on, which is recognising the different model that we, as an organisation, have really not put on as an add-on. We want to make it very much the core of how we go about our business, which is around community engagement, not see that as something that is just used when necessary. We are looking at ensuring that the funding for the resources that were put into that area over the last few years is actually resourced directly and not cross-subsidised by other means.

Dr CLOSE: Will the increased income as a result of increasing the fees then see extra regulatory activity or will it contribute to achieving the savings for the EPA?

Mr CIRCELLI: It is looking at paying for our existing services. We are not looking at expanding, but, having said that, we have actually changed the way that we are regulating at the moment from how we were doing that, say, three or four years ago. Our regulatory approach has changed and what we are now doing is adjusting the fee system to recognise that.

The Hon. D.J. SPEIRS: I think it is fair to say, particularly with the underground storage tanks, which is a new initiative of the EPA, that this in its very nature will build the EPA's understanding of where problem sites are and where activity might be required in the future. While there is not a direct level of expenditure within the organisation being directed towards that in the sense of new activity, I imagine that the corporate knowledge of how to deal with these sites will be built up simply as a result of more increased activity in the regulation of that environment.

I mentioned in an earlier hearing that I went over to California a couple of weeks ago. I met with the EPA over there, which has been doing the licensing of underground storage tanks for quite some time. I know that the South Australian and the Californian EPA offices have formed quite a close sister relationship. There are lots of opportunities for us to learn from them. We have not necessarily locked down exactly how the regulation and the licensing system around the underground storage tanks will occur. That is a matter of detailed consultation with the industry.

As the chief executive said, there is very little pushback from the industry. I imagine that they were aware that this was something that was in the offing and likely to occur in South Australia as it has occurred in other jurisdictions in various forms, both in Australia and overseas. I think it is a good example of the EPA entering an area where there is quite a high risk of problems in the future and just getting a really good handle around the regulation of it.

Ms LUETHEN: I refer the committee to Budget Paper 4, Volume 3, program 1, page 15. Minister, could you outline what are the continuing aims of the EPA's waste reform program into 2018-19 and beyond?

The Hon. D.J. SPEIRS: As many people here would know, the waste and resource recovery sector has really grown into an economically significant part of our state's economy, contributing more than \$500 million a year to gross state product and sustaining around 5,000 full-time jobs. It is certainly an area that the previous government and the new government have identified as having opportunity to grow in the future. Following the Environment Protection (Waste Reform) Amendment Act 2017 coming into effect on 28 November 2017, the EPA's powers have been modernised and strengthened to better support a strong legitimate resource recovery sector and to discourage illegal dumping.

The EPA is undertaking a voluntary reporting pilot project for mass balance reporting, with select licensed facilities to assist with detailed mass balance reporting system design. New reporting regulations for mass balance reporting will then be pursued in 2019. As part of the waste reform program, the EPA can now better manage environmental risks associated with excessive stockpiling. Following an audit of stockpiled material, the EPA will be developing updated stockpile guidelines for enforcement of stockpile limits via EPA licences.

The EPA is also developing a regulatory framework for the energy from waste sector, with the aim of providing investment certainty that aligns with the waste management hierarchy and a fair operating environment within the resource recovery sector. Savings of \$4.9 million over the next four years will be made from refocusing the waste reform program and implementation of the key reforms. Initiatives under the waste reform program, including mass balance reporting and associated initiatives, and development of guiding principles and regulatory policy around waste to energy proposals and financial assurances will continue to be implemented through the waste reform and compliance budgets.

Consolidation of achievements to date will be undertaken, with a sharpened focus on pursuing mass balance reporting and tighter stockpile management at priority sites. This will in turn facilitate safe resource recovery and underpin the other directly aligned waste reform program projects of amended levy collection at landfills and financial assurances at waste facilities. Tony, did you have anything to add to this question?

Mr CIRCELLI: We are really quite confident that we can continue to make the changes that the industry needs, and that is a great outcome both from an environmental perspective but also from this other outcome that we achieve, which is trying to give the industry a fairer and more certain level playing field. We know that that makes a real difference in terms of the continuing investment that the sector is really wanting to make both here in the state but also nationally. We do have a very good engagement profile and program with the sector, and I am actually meeting with key people from the sector next week as part of a high-level advisory group that we established some 18 to 24 months ago.

It is a really terrific forum to both ensure that we target our reforms in the right place and hear from them around any emerging issues that are occurring. It puts us in really good stead to make sure that we are really investing our resources in the right places.

Dr CLOSE: Can I ask a supplementary on that: what consultation has occurred with the LGA specifically on this reprioritising and refocusing?

The Hon. D.J. SPEIRS: I ask the chief executive to answer that.

Mr CIRCELLI: The reforms really do have relevance to the local government sector, but they are mostly related to the larger facilities with much higher thresholds. When we did our community engagement approach with the reform, we did a consultation program right around the

state. We really got such a strong message from local government, particularly regional local government, that we wanted to make sure that we did not put unnecessary red tape in front of what are quite small facilities, small operations, which are, as you know, really affected by the tyranny of distance as well in terms of operating in the resource recovery industry.

We are very conscious of that. Part of the work we are doing is to make sure that we set the thresholds for new reforms, such as mass balance reporting, which is really getting to the next level of information, the next level of detail, around what is happening at these resource recovery facilities, to really understand the tonnages coming in, and the different types of waste coming into these sites and understanding better what the fate of those materials is so that we can ensure that there is a legitimate resource recovery sector. Also, we are trying to avoid as best as possible excessive stockpiling and obviously the risk of fire and other things we have seen happen in some of the other states.

The local government sector really does not have those sorts of facilities. This high-level advisory group that I established a couple of years ago has a senior member—in fact, it is a proxy member for the Chief Executive of the LGA—and he attends those meetings as well and I expect him to attend next week.

Dr CLOSE: Turning to Budget Paper 5, page 66, the operating savings, I would like to understand the minister's estimate of FTE reduction over the forward estimates and whether he or his department has initiated the beginning of the process for TVSPs for this year. In recognition of the first year where the Treasury will pay for the TVSPs, and after that you have to pay for it yourself, how many FTEs have you estimated might leave in this first year and have you conveyed that to Treasury?

The Hon. D.J. SPEIRS: Given the administrative nature of that question, I am more than happy for the chief executive to provide a response.

Mr CIRCELLI: We engaged with all our staff immediately after the budget to give them a very honest account of the budget in terms of not only the savings we had to find but also some of the other measures. We had support from government in terms of minimising the savings because we are actually looking at increasing our cost-recovery profile in the organisation. It has been a significant help for us in terms of meeting our fair share of the budget requirement. Whilst we have minimised the requirement to have savings from an FTE perspective, we are still probably facing something of the order of 5 per cent to 10 per cent of our staff.

I also need to stress that that is not just from this budget; it is from the collection of the last couple of budgets. That is our collective needs for the organisation, and we felt that we would put all those savings requirements together because I certainly do not want to disrupt my organisation any more than I need to. We are very confident that we can find that level, which is probably between 10 and 20, but probably landing somewhere in the middle, about 15 staff, 15 FTEs. We are pretty confident that we can do that and not significantly affect our current services as an organisation.

We have just released our new Strategic Directions document for the next four years. We have been working with our board and our staff—and my executive team, of course—over the last nine months in preparing that. We had a good chance to look at and review it before we released it just before the budget, knowing what we would have to meet. We were very confident that the Strategic Directions document, as developed, really did not need to change. There will certainly need to be some reprioritisation of some programs at the operational level but, certainly in terms of what we want to achieve and how we want to go about achieving that, we believe this is not affected by the level of savings that we have to find.

Dr CLOSE: If I cross-reference to Budget Paper 4, Volume 3, page 14, with program 1 being environment and radiation protection, it looks like there is a drop of 10 FTEs between the estimated result for 2017-18 and the 2018-19 budget. Is that the first 10 of your 15 or so, or is there another explanation for that variation?

Mr CIRCELLI: Could you point me to the right place again, please?

Dr CLOSE: Sorry, Budget Paper 4, Volume 3, page 14. At the bottom of the table it has FTEs as at 30 June.

Mr CIRCELLI: Yes.

Dr CLOSE: It looks as though there is a drop of 10 just in the first year, according to that. Are they maybe offsetting increases? I am not sure.

Mr CIRCELLI: We are looking at a four-year plan. The majority of our savings need to be found in the second year—so not in this current financial year but in the second year. What we are planning to do is make those savings early on so that we can reset any operational programs this year and not see any further changes next year.

Dr CLOSE: Having been a public servant myself, I know there is always the risk that if you do well in the first year they just take more the next year. We will have to watch.

Mr CIRCELLI: To find the full savings for next year, I think we actually have to have the TVSPs settled this year. To get the full savings for a full year we really do need to start this process. That will mean that the savings we will have to find this year will be found going through that process.

In terms of the 2017-18 to 2018-19 change, I might refer to my CFO. A lot of the change from this current year is because we are not bringing on more people, who we were expected to bring on, because of the waste reform changes. That is the major change for this year, but we will see further changes to that next year when we actually go through our TVSP numbers. If I am correct, there are eight FTEs who will not be put on. These are not people we currently have so they will not be put on, but that will certainly affect our FTE number in this current financial year.

Dr CLOSE: I refer to the same page, a little further up, regarding fees, fines and penalties. There is a variation I would like to have explained, where the budget for 2017-18 was about \$78 million, the estimated result was \$49 million and the anticipation for next year is \$52 million. Why is there a big variation between the budget and the estimated result?

Mr CIRCELLI: Yes, it is a significant change. It is really one of accounting interpretation. There is no change to our bottom line. I will allow my CFO to explain the accounting standard and the interpretation that was made to change this, but effectively it is a change of the income that we received and how they classify that income from controlled, which is what it was, to administered. What that difference in money reflects is really the money that is required by the act to be transferred over to Green Industries SA. You will see in the later papers that there is a separate table that refers to administered funds.

Dr CLOSE: There was a question earlier from the member for King about the waste reform program, which delivers a saving of nearly \$5 million over four years. On the previous page, there is mention of terminating some programs, such as the Dob in a Litterer program. What consultation have you had with KESAB and what are their views on that termination?

The Hon. D.J. SPEIRS: That is a good question that ought to be asked. We made the decision, and it was quite a difficult decision, to terminate the Dob in a Litterer application and website, which had previously been administered by the Environment Protection Authority. We did so because it really was not the core business of the department.

Both myself, as the minister, and the senior management of the department concluded that the resources it was taking, particularly in terms of the legal resources that were being required to facilitate the effective administration of the app and website, really meant that the application was not coming anywhere near where we would want from a cost-benefit analysis point of view. It was costing quite a lot of money and not necessarily delivering in a way that we had hoped. There was a bureaucratic back end to this application. I am not sure if it was unforeseen, as it was before my time, but it was certainly greater than anticipated, or the extent of it was greater than anticipated. It became apparent that delivering this project was not something I see as being the core business of the EPA.

Regarding your question around consultation, we have had conversations with KESAB regarding it. Obviously, with their core business traditionally being around litter reduction, it is fair to say, I am sure, that they would have liked to have seen the application continue. We have still got the technological infrastructure of that app and website being held by the EPA and the state government. It may be that, in the future, in some form, an organisation such as KESAB might like to take some responsibility for that application and see if it could be adapted or evolved to be run by

local government, KESAB, or a partnership across both the local government and not-for-profit sector.

The EPA would obviously be very happy to provide some in-kind support during that transition if it were to unfold. I am not willing to make any commitments to that today, but it is fair to say that those conversations have occurred and there is some interest. It is about seeing where that would land in the future.

Dr CLOSE: I have a number of questions relating to air quality monitoring, in particular in my electorate in relation to Adelaide Brighton Cement. Those that I cannot ask, given the time, I will put on notice for a written response. Given the importance of particulate matter to the health of people living in the community, my first question is: could the standard measuring period, which is, as I understand it, an average over 24 hours, be changed to a rolling 24-hour period? Would that better reflect periods of the risk of acute damage to health outcomes for South Australians?

The Hon. D.J. SPEIRS: With these questions, I am more than happy to pass to the administration of the department to provide the answers. I am also more than happy for you, in your capacity as the local member, to have a briefing on this matter. As you know, we have been holding community drop-in stations. It is always going to be a challenge for you, as a representative of a partially industrial community, to manage that.

As someone who has some industry operating in my electorate, to an extent I know those challenges, but not nearly to your extent. I do not want to waste your time, but you are always welcome to have a briefing, and I will pass to Tony.

Dr CLOSE: I did actually ask for a briefing back in May, so if we could activate that, that would be perfect, thank you.

The Hon. D.J. SPEIRS: Absolutely. I will pass to Tony now.

Mr CIRCELLI: Our current monitoring is very much in compliance with National Environment Protection Measures around air quality. That was recently reviewed as well. All the things around how to best take the air samples was done by both the health people and the scientists and we strictly follow that. I will take on notice what that would mean and how that might improve, or whether there would be little improvement. I really do not know, but I am certainly happy to take that on notice and ask our scientists about that change.

Dr CLOSE: As I understand it, the plant at Birkenhead, Adelaide Brighton Cement, had hourly monitoring in its licence and that that was renewed in the recent licence renewal. Can you explain why that was done?

Mr CIRCELLI: What was renewed, sorry?

Dr CLOSE: Hourly monitorings were removed and it was changed to 24-hour particulate measurements averaged over 24 hours, rather than hourly, which obscures the dust over the fence issue.

Mr CIRCELLI: Again, it would be done because that is the way the national standards actually monitor, but I can take on notice whether there was anything specific. At the end of the day, it is about community exposure, and we know from our public health scientists that that is done through both daily averages and annual averages, and that is how we do it.

Dr CLOSE: I think it might have been hourly averages previously, but I will allow you to take that on notice, absolutely. There have been discussions in the past about having NO_x monitoring capacity added to the Lefevre Primary School site. Has that been included in this budget, and is that being contemplated in the expenditure of the EPA?

Mr CIRCELLI: My understanding is that it is not but, again, we can confirm that and get back to you.

Dr CLOSE: If the EPA were to have the NO_x funding upgrade, would that be sufficient to detect a predicted localised effect some 500 metres to the north? What would its capacity be?

Mr CIRCELLI: To the north of what, sorry—to Adelaide Brighton Cement?

Dr CLOSE: There have been discussions about having the NOx upgrade at Lefevre Primary School. The question is: would that be able to detect a localised issue coming from Adelaide Brighton Cement if that were to be the case?

Mr CIRCELLI: I imagine it would if the wind was in the right direction. I cannot see why that would not pick that up. I guess the question is: is there a need for it? Again, I am happy to take that on notice and see whether there are any plans to do that for Lefevre Peninsula.

Dr CLOSE: Do you have an estimate of how much it would cost—in the order of?

Mr CIRCELLI: Very roughly, it is probably a six-figure sum.

Dr CLOSE: I will just squeeze in one last question. Where there is the likelihood of the loss of staff or FTEs from the agency, where do you expect those to go? From which part of your agency are you expecting to lose staff?

Mr CIRCELLI: I cannot answer that. We have had an open call for TVSPs. We put that out pretty much immediately after the budget. That closes this Friday. I have not been given a list. I have heard some names, but I would not want to speculate. Really, the job that we will have next week as an executive is to look at exactly that question: what positions are probably ones that we can work around and we can work through, and which positions are we not prepared to lose. That is a discussion we will have over the next few weeks.

The CHAIR: There being no further questions on that topic in relation to the Environment Protection Authority, for the last half hour of the day we move to Zero Waste and Green Industries SA.

Departmental Advisers:

Mr I. Harvey, Acting Chief Executive, Green Industries South Australia.

Ms M. Kreinhold, Director, Business, Green Industries South Australia.

Ms V. Caire, Acting Director, Strategy and Business, Green Industries South Australia.

Mr J. Wheeler, Manager, Government Business, Green Industries South Australia.

Ms C. Yin, Management Accountant, Green Industries South Australia.

The CHAIR: Minister, I will ask you to introduce your advisers. If you like, you can make an opening statement. It is entirely up to you at this stage of the day.

The Hon. D.J. SPEIRS: Thank you. I will embrace the opportunity that you have afforded me.

The CHAIR: I thought you might. You are welcome.

The Hon. D.J. SPEIRS: I think it is important to get the valuable work of the agency on the record, as my predecessor always did as well. I would like to introduce the senior officials from Green Industries South Australia who have joined me for the hearing today. I have on my left Ian Harvey, Acting Chief Executive, Green Industries South Australia. He is acting while Vaughan Levitzke is on leave. You can see that half the leaders of my portfolios have chosen to take leave during the estimates period; make of that what you will.

I am also joined on my right by Catherine Yin, Management Accountant, Green Industries South Australia. We also have here today Josh Wheeler, Manager, Government Business. Behind me are Marcia Kreinhold, Director, Business, and Veronica Caire, Acting Director, Strategy and Business.

Green Industries South Australia, colloquially referred to as GISA, is developing the circular economy in South Australia by promoting innovation and business activity in the waste management, resource recovery and green industries sectors. These sectors represent tremendous opportunities for economic growth in the state. The need and opportunity to develop these areas is highlighted by

the decision by China to impose strict standards and bans on the import of recyclable materials. Other South-East Asian countries have followed suit as they are overwhelmed by material from across the globe previously destined for China.

I have referred to my trip to the USA several times in the committee today. Interestingly, when I was there a couple of weeks ago, the challenges the USA have also experienced as a result of China refusing to take their recyclable products were raised with me on a number of occasions. In May 2018, in response to what was known as the China Sword policy, I announced a \$12.4 million government support package to help South Australia's resource recovery sector respond to the challenges and opportunities presented by current market conditions.

It was very much felt that in a jurisdiction such as South Australia, which has been a leader in waste management for many years, this so-called crisis presented an opportunity. It presented a short-term challenge but a long-term opportunity to enable the industry to innovate, overcome those challenges and continue to grow and maintain its status as a national and international leader as well. The government support package is aimed at helping develop the local reprocessing sector and reducing our reliance on overseas markets for recyclable materials.

South Australia's well-established resource recovery sector was demonstrated in the 2016-17 Recycling Activity Survey, which I had the pleasure of releasing publicly in June. This most recent data shows that South Australia is diverting 83.4 per cent of all waste generated in our state from landfill. It is a fantastic achievement and equates to an estimated 1.2 million tonnes of CO₂ equivalent reduction in greenhouse gas emissions, as well as significant energy and water savings.

The 2002-03 landfill disposal baseline in South Australia has reduced by 30 per cent. In 2016-17, 87 per cent of all diverted material was reprocessed in South Australia. This result has been supported by our strong construction and demolition materials recycling rates and our organics recycling sectors, which are doing exceptionally well. However, there is room for improvement in local reprocessing of other materials, such as mixed paper and cardboard and mixed plastics, and the government's \$12.4 million support package is focused on developing this side of our waste management industry.

In 2017-18, Green Industries South Australia (GISA) provided a loan of \$750,000 to South Australian-based company Innovise to run a waste and recycling technologies commercialisation of innovation program. This was hugely successful, putting 10 teams through a nine-month fast-tracked mentoring and business development program, which has resulted in economic benefits to the state and the establishment of new companies commercialising technologies in globally relevant areas, including wastewater filtration, package recyclability software, wetlands treatment, infrared irrigation technology, separating materials from composite and difficult to recycle products, and agricultural waste.

Other achievements of GISA over the last financial year include providing \$4.337 million in grant and incentive funding under various industry, business and education programs; piloting a global leadership program in the circular economy with international participants; showcasing South Australia's expertise; releasing South Australia's first waste and resource recovery infrastructure plan to guide future investment needs for the sector over the coming decades; and finalising a disaster waste management plan and associated operational guidelines to form part of the State Emergency Management Plan.

In 2018-19, GISA is continuing to implement the government's support package to help industry and local government respond to current market challenges while also making the most of opportunities to increase local reprocessing capacity and develop a circular economy. This will include comprehensive recycling education across the state to ensure consistent messaging to the community and reduce contamination levels in our recyclable materials. GISA will continue its work to export South Australia's expertise in waste management resource recovery in green industry sectors through the delivery of another global leadership program on the circular economy. A second commercialisation of innovation program will be undertaken this financial year to realise opportunities in the circular economy and establish new business activity for our state.

In 2018-19, GISA is commissioning the construction of new household chemical and paint collection facilities with councils across metropolitan Adelaide, which will provide the community with convenient options to safely dispose of such materials. GISA is also undertaking work to identify how South Australia can remain at the forefront of developing a circular economy and maintain our leadership in resource recovery and waste management, and in the coming months proposals on how we plan to maintain our leadership and make further stepwise improvements in these sectors will be released for discussion.

The CHAIR: Thank you, minister. I invite questions. The Deputy Leader of the Opposition.

Dr CLOSE: My first question is about the savings task for Green Industries. What FTE drop is expected over the forward estimates if TVSPs have already been initiated and what is expected in the first year?

The Hon. D.J. SPEIRS: Thank you, deputy leader. I will hand to Mr Harvey to respond to that question.

Mr HARVEY: We have some fairly modest savings to achieve, and we are going to achieve those largely through some reductions in some of our program delivery. However, in light of the TVSPs being offered, we recognise that there is an opportunity there for staff so we have advised all staff of that opportunity and asked them to consider whether they wish to apply for a TVSP. Clearly, as a small agency we will not be able to offer that to all staff. We have some critical roles that are essential for our service delivery, and we are in that process at the moment. At this stage I cannot advise you how many staff are interested.

Dr CLOSE: Minister, it looks like there are a lot of places the money in the Green Industry Fund is going over the next four years across government. I do not necessarily expect you to be able to answer it in detail now, but at the least I would like to have taken on notice where all the various elements of the Green Industry Fund are going in the next four years, to which departments and for what purpose.

The Hon. D.J. SPEIRS: Yes, it is going all over the place. The deputy leader would be aware that the previous government slightly broadened the scope of where the Green Industry Fund moneys, or the effort of that money, could be placed. The new government has decided to undertake a broader allocation of that money across government. Traditionally, some of that money has gone to funding a significant portion of the EPA's work; that is, the money obviously funds the work of Green Industries South Australia, as would be expected. Funding has in the past also gone to the Department for Environment and Water. Small amounts of money have gone, in the past, to the Department of Planning, Transport and Infrastructure.

There is also now a very significant portion of the Green Industry Fund being applied to the household battery strategy, which is being led by the Department for Energy and Mining. You are right to identify that this fund's money is being spent more widely than it once was, although all on initiatives which I believe connect to the spirit of the fund, particularly around climate change adaptation and mitigation strategies. In my department, some of the fund will be applied to coast protection activities. I undertake to bring you back a detailed breakdown for the forward estimates as to where that money is being directed.

Dr CLOSE: I would also like to know the current balance of the Green Industry Fund and what the expected balance will be for each of the years over the forward estimates.

The Hon. D.J. SPEIRS: I think I can provide you with that now. The balance at 30 June 2018, which is probably the best baseline figure to give you, is \$120.35 million, held in the Green Industry Fund as at 30 June 2018. The balance of the fund over the forward estimates, bearing in mind there is a substantial move to release funds for those climate-related initiatives that I mentioned and will provide to you in more detail, will see the fund in the following financial year, the 2019-20 financial year, drop to \$95.09 million. In the 2020-21 financial year, the fund's total will be \$60.524 million. In the final financial year of the forward estimates, that is the 2021-22 financial year, it will have \$41.849 million.

Dr CLOSE: On that basis, is the minister confident and has he sought advice to confirm that he is meeting his obligations as spelt out in the Green Industries SA Act relating to the balance of the fund?

The Hon. D.J. SPEIRS: I have sought advice with regard to that and I am confident that my responsibilities can be executed as per the act. I will be working alongside the Department of Treasury and Finance, and of course the Treasurer, as per the act because the Treasurer is obviously a major stakeholder in the administration of that fund.

Dr CLOSE: How many of the programs that are being funded by the Green Industry Fund over the forward estimates are directly aimed at assisting councils and communities to improve recycling and waste outcomes? I appreciate that the fund is now broader, but that degree of specificity.

The Hon. D.J. SPEIRS: That is a fair question, deputy leader. A lot of things are funded out of the fund. We will give you a bit of an overview of the service level agreement that was established between Green Industries SA and the Local Government Association of South Australia in which annual funding is provided to employ one person there who gives waste management support to councils. That is a \$35,000 figure, albeit that is a very small portion of the overall fund. I will just make sure I give you the forthcoming financial years.

There are various programs in the mix here with various dollars allocated to them over the forward estimates. So as not to mislead you or the committee, I would prefer to provide you with a written breakdown of how these various programs connect with local government and where there is a direct or indirect relationship and the dollar figure associated with them in the forward estimates, if you are comfortable with that being taken on notice.

Dr CLOSE: Absolutely, and it may well be, therefore, that you also take this question on notice. How does the funding that local government receives through the Green Industry Fund compare to the contributions that councils and ratepayers make through the solid waste levy? Clearly you cannot really answer one without answering the other.

The Hon. D.J. SPEIRS: Yes, I will take that on notice. They require the same body of work to come up with the exact figure, so I will give you a fuller answer on notice.

Dr CLOSE: Thank you. On page 70 of Budget Paper 5, there is reference to a saving of \$1.5 million over four years from reducing expenditure in the innovative solutions for problematic wastes program and the industry and local government infrastructure grant program. I am interested in the balance of the money between those two programs. I am also interested in what consultation has occurred with local government on that savings target and what consultation has occurred with the waste management alliance. That is a fairly broad range of questions related to that savings measure.

The Hon. D.J. SPEIRS: What was your page reference, deputy leader?

Dr CLOSE: Page 70 on Budget Paper 5.

The Hon. D.J. SPEIRS: Let's see how Mr Harvey goes with providing some information. We may come back to you on that, but I will pass to Mr Harvey in the first instance.

Mr HARVEY: Thank you, minister. As I alluded to before, the savings measures over the forward estimates are relatively modest for us. As I said, we are going to reduce our expenditure in two program areas, one of which is innovative solutions for problematic wastes, and the other one relates to the local government and industry infrastructure grant funding area. To give you an example of the scale, in our industry and local government infrastructure grants, quite often the value of the grant is up to \$300,000, so this would equate in any given year to one grant that we would not be able to provide out of a great many—just to give an example of the scale of the impact.

The problematic waste program tends to deal with difficult waste, including batteries, light globes and those sorts of things. We have a strong advocacy role in that area, and we can continue to service that part of our business plan without necessarily applying significant funds to it. For example, a lot of those issues are driven nationally, and we are strong participants at the national level in relation to many of those issues surrounding problematic waste. Again, we can take a hit in

that area for a while. We have not had a lot of conversation with local government around that particular program; however, I think as the minister will take on notice, a large part of our business activity is still directed to local government-type initiatives.

We can provide you with advice on what that looks like, but there is still a significant amount of our business plan directed to local government outcomes. I might just add that we do meet with local government on a regular basis, and the minister referred to the service level agreement that we have with them. That provides us with a direct conduit into local government where we can get a sense of where the pressure points are for them in terms of waste problems, so I think we have a very good working relationship with local government and we will continue to do so into the future.

Dr CLOSE: On that question, page 71 talks about the gloriously named China National Sword policy and the package that this government has put together of \$12.4 million to address the changing policy in China about dealing with plastic waste. I am interested in how much of that has been allocated to support local government and to shield ratepayers from the increased costs, and what modelling has been undertaken to determine whether the \$12.4 million is the right amount? Perhaps I can ask some more questions depending on how fulsome your answers are.

The Hon. D.J. SPEIRS: Thank you, deputy leader. It is fair to say that the government wrestled with what it would look like if we were to put a support package into the marketplace or into the waste management sector more broadly. After considerable reflection, firstly, we were of the view that the robustness and historic leadership that the industry in South Australia had shown presented that opportunity for us to use the China National Sword situation to trigger innovation and opportunity within the industry in terms of growth and uptake of new technologies and, potentially, to drive change that would fill the gaps in our historically strong industry, though still there were gaps within our industry.

We chose specifically that we would not have a bailout package aimed at local government. Instead, we would have an industry assistance package aimed at driving industry growth, reform and renewal. We made that decision for a number of reasons, partly because we did not feel it was the role of the state government to bail out local government for poor business decisions that some but not all local governments—in fact, not most—had made at a time when waste, which is and should be recognised as a commodity, had particularly high prices associated with that commodity.

Contracts and business decisions were made by local government that then did not come to pass or change when the China National Sword policy unfolded and caused the industry and the local government sector some problems. When we formulated our package, it was positioned around grant funding and loan support around business and attempting to identify opportunities for the industry to grow and innovate.

However, we did recognise that there were particular challenges for regional local authorities—local councils within regional and rural South Australia—and we did not want them to find themselves in a situation where it was more favourable from a financial point of view for them to bury their recyclables in landfill because of the tyranny of distance. We did put together a regional transport subsidy program, accessible for regional councils, to provide them with some relief. That was a half a million dollar program.

Our China National Sword support package also included grants for recycling, market development and funding for community education, which could be accessed by local government. It is worth saying that the other grants programs could also be accessed in one form or another by local government, given local government's involvement in the waste management industry in a quasi-commercial operation, with groups of councils coming together to essentially form waste management businesses. There was nothing to stop those organisations applying for these grants as well.

In terms of modelling, when I became the minister there had already been a China Sword working group, which had been set up in early 2018. That had undertaken modelling as to the quantum of a support package and what that might look like and where that might be directed, and so that is where the figure of \$12.4 million was obtained from. It was by no means a random figure, but was generated through the modelling of that working group.

Dr CLOSE: I will just slip in one more question. The Senate recently produced a report from one of their committees on the desirability of eliminating over time single-use plastic altogether, but particularly in the waste stream. One of the recommendations was that the ministerial council take this up as a project for all the states. Is this something that has been explored around the ministerial council, and what leadership is Green Industries SA showing in moving Australia away from single-use disposable plastic?

The Hon. D.J. SPEIRS: Is that in relation to packaging or more broadly?

Dr CLOSE: More broadly.

The Hon. D.J. SPEIRS: I will provide some broad comments, and then I will pass to Mr Harvey for specifics around leadership by Green Industries South Australia. It is fair to say that we are very interested in looking for opportunities for South Australia to maintain its leadership status in regard to waste management. I do not want to be the minister who, under their watch, allowed a plateauing, because we are doing particularly well. Particularly, I think, with the momentum around the *War on Waste* and the social media side of waste that has bubbled up in probably the last 12 months or so, helped by China Sword potentially, there is an opportunity for us to look towards single-use plastic and doing some work in that area.

You would be aware that the Hon. Mark Parnell in another place introduced a bill to look at the banning of single-use plastics in South Australia. It was felt that that legislation perhaps is not as sophisticated as it needs to be. My agency, Green Industries SA, is developing a discussion paper at the moment, which could be floated with the South Australian public, with industry, with my colleagues here and with you, deputy leader, to see where we can go on this.

I have spoken to the Hon. Mark Parnell about that in relation to his bill and whether we can progress to a more detailed piece of legislation that would enable us to continue to lead the way in this area, something that the government is interested in and I am interested in. I will pass to Mr Harvey to see if he can provide any more specifics on other discussions at the national level.

Mr HARVEY: I would just remind the minister that at the April meeting of environment ministers there was a decision by the ministers that 100 per cent of single-use packaging materials should be recyclable, compostable or re-usable by 2025, so there is a strong national commitment to doing something around that particular waste stream.

The Meeting of Environment Ministers (MEM) has put their confidence in the Australian Packaging Covenant Organisation to drive the delivery of that particular target, and we are working very closely as an agency with APCO on how that might be delivered. Currently, APCO is delivering the implementation process to try to deliver on the MEM's aspirations around that target.

Through the China National Sword working group which continues to meet, and which meets with GISA as the chair, we have a couple of subgroups, one of which is around procurement. Certainly, re-using the plastic materials within the economy is one way of reducing their impact on the environment. We are having very productive discussions with other state government agencies that are around the table.

Also, there is a national effort. The National Waste Policy has been reinvigorated, again driven through the Meeting of Environment Ministers. That is also adding impetus to how to deal with plastic waste in particular but also how procurement can help to draw some of this material back out and prevent it from entering into the environment and waterways.

As an organisation, we look to international trends. The Ellen MacArthur Foundation has released a report. Plastics, unfortunately, are going to be with us for a long, long time. The growth curve in plastic production is staggering. It comprises just about every aspect of our lives. It is not going to be a quick fix, but certainly the agency is working, as the minister said, on a discussion paper to give the minister some options about it that he might consider going forward. We are working nationally with our counterparts on some solutions.

The CHAIR: Are there any further questions? There not being any further questions, I declare the examination of the proposed payments for the portfolio of Zero Waste/Green Industries SA, the estimate of payments for the Department for Environment and Water and Administered Items for the Department for Environment and Water, and the estimate of payments

for the Department for Energy and Mining to be completed. Before I call the member, I would like to thank the minister and his advisers for the afternoon session, the committee secretaries and also the committee members for what has been a long day in committee.

At 18:32 the committee adjourned to Wednesday 26 September 2018 at 09:00.