

**HOUSE OF ASSEMBLY****Thursday, 23 June 2022****ESTIMATES COMMITTEE A****Chair:**

Hon. A. Piccolo

**Members:**

Hon. D.J. Speirs

Ms N.P. Clancy

Mr P.N. McBride

Mr S.J.R. Patterson

Ms O.M. Savvas

Ms E.L. Thompson

*The committee met at 09:00**Estimates Vote***DEPARTMENT FOR ENVIRONMENT AND WATER, \$153,141,000****ADMINISTERED ITEMS FOR THE DEPARTMENT FOR ENVIRONMENT AND WATER,  
\$30,937,000****DEPARTMENT FOR ENERGY AND MINING, \$103,713,000****ADMINISTERED ITEMS FOR THE DEPARTMENT OF TREASURY AND FINANCE,  
\$2,365,934,000****Minister:**

Hon. S.E. Close, Deputy Premier, Minister for Industry, Innovation and Science, Minister for Defence and Space Industries, Minister for Climate, Environment and Water.

**Departmental Advisers:**

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

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

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

Ms S. Carruthers, Executive Director, Strategy, Science and Corporate Services, Department for Environment and Water.

Ms C Hart, Executive Director, Environment, Heritage and Sustainability, Department for Environment and Water.

Mr G. Pelton, Director, Strategic Projects, Department for Environment and Water.

Mr M. Williams, Executive Director, National Parks and Wildlife Service, Department for Environment and Water.

Dr B. Page, Principal Biosecurity Officer, Department of Primary Industries and Regions.

**The CHAIR:** Good morning and welcome to today's hearing of Estimates Committee A. I respectfully acknowledge the traditional owners of this land upon which this committee meets today and the custodians of the sacred lands of our state.

The estimates committees are a relatively informal procedure and, as such, there is no need to stand to ask or answer a question. I understand that both the minister and the lead speaker for the opposition have agreed on an approximate time for the consideration of the proposed payments, which will facilitate a change of departmental advisers. Can both the minister and the person from the opposition confirm that?

**The Hon. S.E. CLOSE:** Yes.

**The Hon. D.J. SPEIRS:** Yes.

**The CHAIR:** Changes to committee membership will be notified as they occur. Members should ensure the Chair is provided with a completed request to be discharged form. If the minister undertakes to supply information at a later date, it must be submitted to the Clerk Assistant via the Answers to Questions mailbox no later than Friday 2 September 2022.

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 to do so. There will be a flexible approach to giving the call for asking questions. A member who is not a member of the committee may ask questions at the discretion of the Chair.

All questions are to be directed to the minister, not the minister's advisers, through the Chair. The minister may refer questions to advisers for a response. 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*.

I remind members that the rules of debate in the house apply to the committee. Consistent with the rules of the house, photography by members from the chamber floor is not permitted while the committee is in session. Ministers and members may not table documents before the committee; however, documents can be supplied to the Chair for distribution. The incorporation of material in *Hansard* is permitted on the same basis as it applies to the house; that is, it is purely statistical and limited to one page in length.

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, via the webstream link to the internet and the Parliament of South Australia video-on-demand broadcast system, so I would just remind members to be as civil in their behaviour as possible.

I now proceed to open the following lines for examination: the portfolio is the Department for Environment and Water. The minister appearing is the Minister for Climate, Environment and Water. I declare the proposed payments open for examination and invite the minister to make a statement if she wishes and also to introduce her advisers. I will then call on the lead speaker for the opposition to make a statement if he wishes and then open for questions. Minister, the floor is yours.

**The Hon. S.E. CLOSE:** Thank you, Chair. I will not make an opening statement, other than to thank the public servants, both those present and those beetling away back in the office, who have done so much work to prepare for estimates, as they do every year.

I would like to introduce the advisers sitting around me. John Schutz is the Chief Executive of the Department for Environment and Water, Shaun O'Brien is the Chief Finance Officer for DEW and Cate Hart is the Executive Director of Environment, Heritage and Sustainability.

Behind me on my left, I have Ben Bruce, the Executive Director of Water and the River Murray, and next to him is Brad Page, Principal Biosecurity Officer of PIRSA. At this point, I would ask if members of the opposition could indicate if they do or do not have questions for him. If they do not, he will be able to leave, as most of these lines are not his core business. Behind Ben is Mike Williams, Executive Director of the National Parks and Wildlife Service. Sandy Carruthers, Executive Director of Strategy, Science and Corporate Services, is next to Mike.

**The CHAIR:** There is one more person.

**The Hon. S.E. CLOSE:** Grant Pelton is the executive director of strategic projects. Sorry, he was not on my map, but he is here physically.

**The CHAIR:** I am glad to see my eyesight is still not failing me yet. Minister, you have no statement; is that correct?

**The Hon. S.E. CLOSE:** That is correct.

**The CHAIR:** Leader of the Opposition, do you wish to make a statement?

**The Hon. D.J. SPEIRS:** No.

**The CHAIR:** Do you wish to start your questions? Before you do, would you like to clarify whether you have any questions for the person from biosecurity?

**The Hon. D.J. SPEIRS:** I have none.

**The CHAIR:** Leader of the Opposition, the floor is yours, sir.

**The Hon. D.J. SPEIRS:** I move to Budget Measures Statement, Budget Paper 5, page 42. An operating initiative here assigns \$250,000 over four years to the Conservation Council of South Australia to 'ensure the community's voice is properly heard when decisions affecting the environment are proposed'. Are there any conditions on what this payment can and cannot be used for?

**The Hon. S.E. CLOSE:** As the leader will be aware, there has been financing of the Conservation Council for some time—decades, I imagine. In opposition, my view was that there was more that could be done by the Conservation Council and that there could be more support provided to it, so we have allocated a million dollars over four years for that purpose. The chief executive is currently leading negotiations with the Conservation Council to determine what, if any, change to the contract currently with the Conservation Council will result from that commitment.

**The Hon. D.J. SPEIRS:** I will repeat my question: will there be any conditions on what this payment can and cannot be used for?

**The Hon. S.E. CLOSE:** As the leader is aware, there is a contract that exists between the government and the Conservation Council, and that will continue to be the case for the additional funding, but what those terms are is still under discussion.

**The Hon. D.J. SPEIRS:** I take it from that that the existing service agreement between the Department for Environment and Water and the Conservation Council of South Australia will continue and that this money will be governed by that?

**The Hon. S.E. CLOSE:** There is an existing service level agreement that will continue, in the sense that the funding commitment that is already existing will be maintained, and there will be more money available for the Conservation Council, but the terms of that additional money are still being determined.

**The Hon. D.J. SPEIRS:** How will value for money for this payment be measured?

**The Hon. S.E. CLOSE:** It will be possible to answer the leader after those negotiations have concluded.

**The Hon. D.J. SPEIRS:** Can the minister guarantee that this money will not be absorbed into the administration costs of the Conservation Council, rather than be directed towards practical projects?

**The Hon. S.E. CLOSE:** The contract will identify outcomes that are required as a result of the money being provided. What those outcomes will be are being determined presently and we will be able to have this conversation after that.

**The Hon. D.J. SPEIRS:** Will the minister make the contract between the Department for Environment and Water and the Conservation Council public?

**The Hon. S.E. CLOSE:** I will take advice offline and return with an answer if there is more to be elaborated on. My understanding is that that is not the normal practice and therefore we will

just conform to normal practice, but I will just interrogate a bit more about whether existing contracts, such as those agreed to by the previous government, have been made public previously.

**The Hon. D.J. SPEIRS:** I note that the Conservation Council of South Australia has been vocal in selected transport infrastructure initiatives, such as providing commentary on the north-south corridor. However, there have been minimal public comments from the Conservation Council about the proposal to build transport infrastructure through Glenthorne National Park. Can you detail your engagement to date with the Conservation Council about this proposal, and could the funding being provided to the Conservation Council be described as 'hush money', rendering the Conservation Council silent on key environmental issues that the government is not appropriately managing?

**The CHAIR:** The minister is not responsible for the actions of the Conservation Council.

**The Hon. D.J. SPEIRS:** She is responsible for payment of hush money, though.

**The CHAIR:** Leader of the Opposition, I have the floor. When I have the floor, I think you need to be quiet, just like I am quite when you are speaking, sir. Okay?

**The Hon. D.J. SPEIRS:** I am quite comfortable with that, Chair. I am just keen to hold the government to account.

**The CHAIR:** And you are quite right to do so. Also, you need to understand that this is an estimates committee and also that the estimates committee differs from question time, which has a bit more latitude. Let's make it very clear: the minister is not responsible for the actions of the Conservation Council outside any service agreement that may exist between the government of the day and the Conservation Council. That said, if the minister wishes to make some comments, she can; if she does not wish to, we will move on to the next question.

**The Hon. S.E. CLOSE:** I would like to comment that it is remarkable on two fronts to refer to funding for the Conservation Council, as a peak body, as hush money. On the one hand, money has been going from government to the Conservation Council for decades, as I say. This is not abnormal. The amount of money has increased as a result of our election commitment but is otherwise conceptually no different from money that was paid by the previous government to the Conservation Council.

Secondly, the idea that the Conservation Council, as the esteemed peak body for the conservation movement, would countenance being silent on an issue that it felt was important is a remarkable allegation to make. It reminds me that the leader, when he was minister, in the final months indicated he no longer wanted the portfolio. It makes me wonder why he wants it in opposition.

**The Hon. D.J. SPEIRS:** I do not think we need to get into debate about that. I will speak more about that in question time or at other points.

**The CHAIR:** If the lead speaker wants to introduce debate and argument in his questions, then he—

**The Hon. D.J. SPEIRS:** Absolutely.

**The CHAIR:** —let me finish—can expect the same from the minister.

**The Hon. D.J. SPEIRS:** I enjoy it, relish it.

**The CHAIR:** So will I, I can assure you.

**The Hon. D.J. SPEIRS:** I will move on to another question now, if that is okay.

**The CHAIR:** Of course.

**The Hon. D.J. SPEIRS:** I refer to Agency Statement, Budget Paper 4, Volume 2, page 136, in relation to the department's custodianship of Australia's native vegetation and national parks. Has the minister requested a briefing from her department about the impact of the on/off ramp for the Southern Expressway in relation to its impact on native vegetation in Glenthorne National Park based on the initial concept designs?

**The Hon. S.E. CLOSE:** I have raised this a few times—I could not recall the precise number—with the chief executive to understand the process that is being undertaken between the two government departments. I understand that process is ongoing. Discussions are still occurring about where precisely the alignment will be.

I understand from my colleague Minister Koutsantonis that the road reserve is likely to be the place, as one would expect, where the on/off ramp will be located, but the precise alignment is still a matter of negotiation and discussion, and I expect to be kept apprised of that by the chief executive as it unfolds.

**The Hon. D.J. SPEIRS:** Does it concern the minister that many hundreds of trees, if not thousands, could be lost as a consequence of this project?

**The CHAIR:** I remind the lead speaker that the rules of the house apply. You are implying certain facts in that question, so you would need either to seek leave of the committee to state the basis for those facts or to rephrase the question, please.

**The Hon. D.J. SPEIRS:** I am happy to seek leave of the committee to insert some facts.

**The CHAIR:** Go ahead then.

**The Hon. D.J. SPEIRS:** Thank you, Chair. The initial concept design, which has been put into the public domain for the on/off ramp for the Southern Expressway, sees a roadway that extends approximately one kilometre through the O'Halloran Hill block in the northern component of Glenthorne National Park and a substantial loop through the south-western corner of the Glenthorne Farm block in the southern component of the national park.

Each of these sections of the proposed on/off ramp run through areas of dense native vegetation in part or in whole of their separate routes. Does it concern the minister about the potential loss of such a significant number of trees, and will attempts be made to minimise such a loss?

**The Hon. S.E. CLOSE:** I am not certain that, in the insertion of facts, the alignment that has been referred to will be the alignment because there is still a discussion. So I do not accept that as being where we are landing because there is still a process ongoing.

I would point out that there has been clearance in that area for other reasons in recent times. For example, the BMX track required significant clearance, as did the soccer pitches, which were both done under the previous government. Indeed, I understand that some of that clearance had been relatively recently planted by Friends groups.

It is therefore passing strange that a project that was previously advocated for by the leader, being the on/off ramp for Majors Road, on behalf of his constituents, is now being regarded as environmental vandalism where previously clearance has occurred under the leader's regime in precisely that area.

All of that said, every tree, every part of native vegetation, is of value, and we will be working through very carefully in terms of how we can minimise impact while at the same time paying attention to the importance of smooth traffic flow, which, without drawing too long a bow, does assist with emissions reduction, and not having also the pollutants of the air for people living particularly along Brighton Road where there is often significant traffic jams as a result of the inability of the people living further south to get easily onto the Southern Expressway.

**The Hon. D.J. SPEIRS:** Has the minister been to Glenthorne National Park to see firsthand the proposed location for the on/off ramp and its potential impacts?

**The Hon. S.E. CLOSE:** I have been to Glenthorne Farm before. I have not been since we came into government, but I believe that this Sunday I am going for some planting.

**The Hon. D.J. SPEIRS:** Has the minister met with the Friends of Glenthorne, the Friends of O'Halloran Hill or the mountain bike trail maintenance groups to explain the impact that the on/off ramp will have on the revegetation and mountain biking trails within the park?

**The Hon. S.E. CLOSE:** Given that the alignment is yet to be determined, I have not had any meetings to discuss the content and the impact of the alignment.

**The Hon. D.J. SPEIRS:** Could the minister explain the process that is required to excise the portion of the national park that will be required to construct the on/off ramp at Majors Road, transferring that to the Department for Infrastructure and Transport and out of the national parks estate?

**The Hon. S.E. CLOSE:** The leader asked this question in question time, I think knowing the answer, and has asked it again, also knowing the answer. So, just to have it on the record, the way in which a road through a national park is to be approved, the minister, being me, must recommend to the Governor that the boundaries of the national park be altered in accordance with the National Parks and Wildlife Act 1972. There will be two months' public consultation required as part of this process.

**The Hon. D.J. SPEIRS:** Is the minister considering reducing the level of protection afforded to Glenthorne National Park under the National Parks and Wildlife Act 1972 to avoid public scandal associated with putting the on/off ramp through the national park?

**The CHAIR:** I will just remind the speaker that questions need to be questions without commentary or argument. That question involves both. You can either rephrase the question or we go to another question.

**The Hon. D.J. SPEIRS:** I will delete the term 'avoid public scandal'. Is the minister considering reducing the level of protection afforded to Glenthorne National Park under the National Parks and Wildlife Act 1972 associated with putting the on/off ramp through the national park?

**The Hon. S.E. CLOSE:** If I understand the leader's question, he is wondering if the entire park might no longer be called a national park. I have no such plans.

**The Hon. D.J. SPEIRS:** You may already have done this, but just for clarity: will the minister rule out changing the conservation status of Glenthorne National Park under the act and not downgrade it to a conservation park or a recreation park?

**The CHAIR:** I think the minister has just answered that question, or did I mishear it?

**The Hon. D.J. SPEIRS:** I am happy to have a resounding level of clarity.

**The CHAIR:** The minister can respond, but I am pretty sure I heard the minister just state very clearly—

**The Hon. S.E. CLOSE:** I have no intention to do that. Obviously, park classifications vary from time to time. Indeed, the leader himself altered classifications last year, so that does occur from time to time, but I have absolutely no intentions of either changing the classification of Glenthorne at all or downgrading any area that is currently protected.

**The Hon. D.J. SPEIRS:** I will move to the Budget Measures Statement, Budget Paper 5 again, page 42. There is an operating initiative there which assigns \$500,000 over four years towards a citizen science fund. Can the minister explain what this initiative is, who will administer the fund and who will be eligible to apply?

**The Hon. S.E. CLOSE:** One of the features of good process in preparing policy from opposition and then applying it in government is allowing the opportunity for the expertise of people in government, and also the arm of consultation that is possible from government that is harder from opposition, to be exercised. Therefore, unsurprisingly, while we have a commitment of \$2 million to a citizen science fund, the precise way in which that will be administered and for what purpose is being worked on methodically at present.

The environment department is currently scoping the use of the fund, talking to research institutions and non-government organisations and identifying existing needs and opportunities for which this fund could be useful. The coordination of citizen science initiatives that are already in place will also be a priority to make sure that we are maximising the input and the opportunity that we have with existing effort.

We will be particularly interested in ensuring that the citizen science fund is used to further engage people in the environment in a way that not only is of benefit to those individuals, because they enjoy being in the environment and enjoy contributing, but is also able to be harnessed for the

use of researchers and policymakers. The principles of the fund are reasonably clear but, as I say, the precise way it will be designed and rolled out is being worked on by people with great expertise. I look forward to being able to announce further details in due course.

**The Hon. D.J. SPEIRS:** How will success of this fund be measured?

**The Hon. S.E. CLOSE:** I feel that my last answer covered that sufficiently.

**The Hon. D.J. SPEIRS:** Fair enough. I refer to Agency Statement, Budget Paper 4, Volume 2, page 136. Can the minister indicate when she last received an update from the department on the investigation which is occurring in relation to the death of dolphins in the Adelaide Dolphin Sanctuary?

**The CHAIR:** Whereabouts on page 136, please?

**The Hon. D.J. SPEIRS:** The business of the National Parks and Wildlife Service, program 1, and the corresponding budget above that:

- Leads the development and delivery of nature conservation, biodiversity and animal welfare policy...

**The Hon. S.E. CLOSE:** I am just trying to get the time line clear in my head. It is such a whirlwind in government that it is easy for weeks to slip by. From recollection, it was a couple of weeks ago that I last had the document, which is the series of findings at present that have been made into the causes of deaths of the dolphins in the Port Adelaide River and the Dolphin Sanctuary. That was then made public and I think was reported on in *The Advertiser* either the weekend just gone or the weekend before that. That is where my memory is hazy but I am sure others will know. Yesterday, I also was informed of a necropsy or autopsy—do you say autopsy about a dolphin?

**Mr SCHUTZ:** Necropsy.

**The Hon. S.E. CLOSE:** —necropsy of a dolphin that died recently where unfortunately, yet again, the cause of death was uncertain. We are still in a process here, though, where more investigations are being undertaken, I think with Flinders University and also perhaps with the University of Adelaide, trying to further investigate the possible pathogen problem that may exist for the dolphins in the river. So I have received briefings. I received briefings relatively recently and I expect to receive more briefings to come.

**The Hon. D.J. SPEIRS:** The department's website, which provides updates to the community about the progress of this investigation, has been updated infrequently in recent times. Most recently, an update occurred on 12 June 2022. However, from media reports, that report was received considerably before then. Will the minister make efforts to ensure that the public receive more regular updates as to this concerning state of events with the dolphin deaths?

**The Hon. S.E. CLOSE:** Indeed, I am happy to discuss with the chief executive making sure that the information that we receive is made public.

**The Hon. D.J. SPEIRS:** On 11 June 2022, *The Advertiser* reported that the report being conducted by SARDI has, as you said, minister, not definitively identified the cause of the dolphin deaths. Is SARDI involved with continuing to perform future monitoring and research to clarify the status of the pod in the Adelaide Dolphin Sanctuary?

**The Hon. S.E. CLOSE:** As I understand it, SARDI is not as involved from now on but will be still brought into the information loop by the department. The next stage is, as I referred to, the investigations being undertaken by Flinders and Adelaide universities to look at the water quality issues. We hope to be able to get some more information, which we then will of course make public and share freely with SARDI.

This is a matter of some concern to me. My connection to the dolphins in the Port River is much more longstanding even than my living in the area and representing the area. I have been a member of parliament for about 10½ years and I have lived there for 20 years. Well before then, I was very active with Mike Bossley, through Greenpeace, on dolphin welfare.

I was part of the campaign to close Marineland, the captivity of marine life. I am not sure if the younger members of this chamber even have any recollection that there were five or six dolphins

swimming around in an indoor swimming pool down at West Beach. That was regarded as family entertainment when I was younger. It was closed after a concerted campaign to oppose the enlargement of Marineland, which would have involved capturing more dolphins and pseudorcas as well, cementing in the idea of dolphins in captivity as suitable entertainment.

I was involved in that as a teenager and then continued to work with a group of people, including Mike Bossley, on the ongoing welfare of dolphins in the wild, which is of course where dolphins belong. We advocated very strongly as a group for the dolphin sanctuary to be established, which it subsequently was by Minister John Hill, which was very pleasing for us. It has then been a cause of some consternation and unhappiness that there has been a series of unexplained deaths of dolphins that are of an age where you would expect them to be quite healthy and a large number of baby dolphins.

It is unusual to have a resident population so close to a CBD; it may indeed be unique, but it is certainly rare. In understanding the way in which a resident population lives in an area that was previously heavily industrialised and is used in multiple ways—fishing, large container vessels and other activities—there are no rulebooks on the ways in which dolphins are affected by that. That has therefore made it extremely important that we understand what is happening in the Port River.

Clearly, there are multiple causes of death. There are some deaths that are caused through entanglement in fishing wire and other materials. There are concerns about boat strike. I was pleased that the previous government put in a speed limit around where the dolphins are to help avoid boat strike. But there are these deaths that appear to be inexplicable, and the previous government, the leader, initiated a process for having those investigated. We have had those interim findings. They are yet inconclusive. We will continue to investigate, not only to find out what is causing it but to see if anything can be done to avoid further dolphin deaths.

**The Hon. D.J. SPEIRS:** The minister referred to a study being conducted by Flinders University. Can the minister indicate when she expects to receive the report associated with this investigation?

**The Hon. S.E. CLOSE:** I think I recall that it was to be later in this year, but I will clarify on notice if that is necessary. I would also like to point out, as part of elaborating on what we are trying to do collectively about the dolphin sanctuary and the deaths, that the Legislative Council has recently established a select committee to conduct an inquiry into the Adelaide Dolphin Sanctuary. While that committee itself will not be able to undertake any scientific research, it may well be a useful forum for community groups to express what they are seeing and for us to test whether there are policy changes that might be required.

Although it was not a motion from my party—it was from the Hon. Tammy Franks in the other place—it was one that we supported on the basis that more light might be shed on what is happening.

**The Hon. D.J. SPEIRS:** Has the minister sought the department's support to provide additional financial resources to advance the investigation or consider allocating additional resources to implement changes to the management of the Adelaide Dolphin Sanctuary once the investigation report has been finalised?

**The Hon. S.E. CLOSE:** It is very unclear that this is a matter of resources. The investigation is, as I say, continuing. It took some time from when it was first established to wind its way, in an interim sense, through to the department and then to the public. At this stage, no-one has raised with me that there is a lack of resources that should be remedied. It is feasible that resources may be partially required if we should find out what the problem is and what ought to be done about it. I think it is more likely that policy changes may be required in how the area is managed, but I do not want to prejudge what might well come up as a result.

**The Hon. D.J. SPEIRS:** What budget has been allocated towards the study being conducted by Flinders University at the moment—i.e. what is it costing?

**The Hon. S.E. CLOSE:** What I am reading here is that currently \$40,000 a year is being allocated to support both autopsies of up to three dolphins for the next three years and a further \$20,000—so 20 and 20—to support postgraduate investigations.

**The Hon. D.J. SPEIRS:** Is that per year?



**The Hon. S.E. CLOSE:** Each year.

**The Hon. D.J. SPEIRS:** Is the minister expecting deaths to continue into the future, given that there has been an allocation for autopsies each year?

**The Hon. S.E. CLOSE:** Given that there have been deaths and given that we are uncertain of the cause, then unfortunately one has to expect that there will be more. There will be deaths even if there were not an underlying issue. There are deaths that are caused by old age, by illness, by boat strike, by entanglement, so unfortunately it is reasonable to allocate funds for an expectation that autopsies will be required.

**The Hon. D.J. SPEIRS:** Moving on to Budget Paper 4, Volume 2, page 138, which lists the Parks 2025 initiative, in 2022-23 there is an allocation of \$8.405 million for Parks 2025. Can the minister detail which projects are being funded through this \$8.405 million allocation?

**The Hon. S.E. CLOSE:** I think what we will do on that one is take it on notice and come back with a detailed answer.

**The Hon. D.J. SPEIRS:** Thank you. Can the minister indicate when Hindmarsh Valley National Park will open to the community, and how much funding is allocated to that project?

**The CHAIR:** What is the reference for that one?

**The Hon. D.J. SPEIRS:** The same, the parks funding on page 138.

**The Hon. S.E. CLOSE:** DEW proclaimed Hindmarsh Valley National Park in 2021. Basic infrastructure has been installed at the site, including fencing. Ecological surveys were undertaken in 2021 and 2022, and these have provided insight into the significant biodiversity and number of threatened species whose habitat is Hindmarsh Valley National Park. DEW is currently undertaking park management planning for the site. This process will inform the nature and scale of infrastructure located at the park.

To give some context, the national park is a 423-hectare portion of land approximately 80 kilometres south of Adelaide on the Fleurieu Peninsula, and it is a critically important conservation site and a very welcome addition to protected areas. The government—I think previous and current government—has committed to conservation outcomes in managing the park and also of course to protecting and enhancing biodiversity across the state.

The Hindmarsh Valley provides habitat for unique and threatened native animals and plants. These include the nationally endangered southern brown bandicoot, the chestnut-rumped heathwren, the bassian thrush and the locally critically endangered western pygmy possum, the nationally critically endangered Fleurieu Peninsula swamps and three species of endangered plants, which are found only in the Hindmarsh Valley area, including the Hindmarsh Valley greenhood, Mount Compass oak-bush and the Hindmarsh Valley correa. Recent surveys have also mapped vulnerable native legume species clover glycine on park, as well as a number of other endangered species.

There has been some investment undertaken to prepare visitor facilities for the new national park. However, given the extensive conservation values of the national park, it is important that a park management plan be developed to clearly identify the conservation values being protected and the visitor activities that are compatible with protecting these values.

A park management planning process is being undertaken over the next six months in accordance with section 38 of the National Parks and Wildlife Act 1972. A draft management plan will be prepared and released for three months' public consultation. The planning process will then inform final decisions about infrastructure investment in the national park to take account of balancing the conservation of threatened species and communities with visitor access. While this occurs, routine park management investment is being made—for example, fencing and the removal of obsolete infrastructure associated with the land's former use.

**The Hon. D.J. SPEIRS:** There was previously \$3 million of funding allocated to enable community access to the national park for day visitor facilities, car parking on the paddocks at the base of the hill, walking and cycling trails, picnic benches, possible toilet facilities and other facilities

to enable access on the lower conservation components of the landscape that makes up that national park. Is that \$3 million still allocated to future works at Hindmarsh Valley National Park, or has it been reallocated to other projects?

**The Hon. S.E. CLOSE:** The money has not been reallocated, but clearly there is a very important sequence of events that needs to take place in order to determine what infrastructure is appropriate. While it is welcomed, I suppose, that the previous government chose to allocate a specific amount of money for certain outcomes for visitors' experiences there, there is an important process to determine the management of the park, the sensitivity of the biodiversity and particularly the threatened and endangered species, to investigate EPBC triggers that might be pooled through any extensive infrastructure in the park and to allow that process to take place prior to spending significant amounts of money on visitor engagement with the park. That is the logical sequence that ought to take place, but the money remains in the department's budget and that process will be gone through carefully.

**The Hon. D.J. SPEIRS:** Does the minister remain committed to sensitively opening the park for public access park, such as walking, cycling, mountain biking and picnic areas?

**The Hon. S.E. CLOSE:** I remain committed to sensitive access for people to the park. I note that the leader at one point recently said—I think the term was 'axed' or 'abolished' for Hindmarsh Valley access. That is simply not compatible with the truth as it has been laid out.

**The Hon. D.J. SPEIRS:** Is the \$3 million part of the \$8.405 million in the forthcoming financial year's Parks 2025 allocation?

**The Hon. S.E. CLOSE:** Yes.

**The Hon. D.J. SPEIRS:** So the minister expects that \$3 million to be spent during the 2022-23 financial year on the Hindmarsh Valley National Park project?

**The Hon. S.E. CLOSE:** I think I have laid out reasonably carefully the process that we are going through. Currently, the money is sitting there and there is a process to be gone through to determine the very significant ecological values of that important property that the leader added into the protected areas and, as I say, that is very welcome. We will go through that process and we will determine the appropriate expenditure in due course, including the timing.

**The Hon. D.J. SPEIRS:** The minister has outlined a very sensible pathway in terms of scientific and conservation investigations. How long does she expect that process to take?

**The Hon. S.E. CLOSE:** I think I largely read out the answer to that in the previous answer. Let me refamiliarise myself with my own answer. The park management planning process is being undertaken over the next six months.

**The Hon. D.J. SPEIRS:** It should be completed, you would suggest, at the beginning of 2023, and then that \$3 million spent in the last six months of the financial year?

**The Hon. S.E. CLOSE:** As the leader doubtless knows, having gone through these processes himself, I imagine, the process is laid out in six months, half of which is public consultation. It then goes to the Parks and Wilderness Council, it comes to me and it is also then gazetted. There are a series of stages, and I do not have full control over every stage of it. So we will work through it, we will not delay and we will do it with the interests of the conservation biodiversity values of the area at front and centre.

**The Hon. D.J. SPEIRS:** Given that that process with the Parks and Wilderness Council, public notification and the various other components outlined by the minister is likely to take the best part if not all of the 2022-23 financial year, is it realistic to say that the \$3 million, which is part of the \$8.405 million for the Parks 2025 allocation, will be spent at Hindmarsh Valley National Park in the 2022-23 financial year, or is that just very unlikely to occur with those time lines?

**The CHAIR:** There is so much commentary in that question.

**The Hon. D.J. SPEIRS:** I think it was quite a fair question.

**The CHAIR:** I am not saying the whole question is not fair, I am just saying there is a lot of commentary in it. I will leave it to the minister if she wishes to answer. If not, I am happy for the

member to rephrase the question in a more direct manner. I think the minister would like you to perhaps rephrase the question in a more direct manner.

**The Hon. D.J. SPEIRS:** Of the \$8.405 million allocated for Parks 2025 in the 2022-23 financial year, the minister has said that \$3 million is for the Hindmarsh Valley National Park project. However, the consultation process, very appropriate though it is, is likely to take the best part of the financial year. Will \$3 million be spent at Hindmarsh Valley National Park in the 2022-23 financial year?

**The CHAIR:** I thought the minister addressed that issue in a previous answer.

**The Hon. S.E. CLOSE:** Thank you, Chair. I feel that my answer previously has covered that question also.

**The Hon. D.J. SPEIRS:** The answer is: realistically, no, but that is just my commentary, so I will move straight on to another question if that is okay, Mr Chair?

**The CHAIR:** Yes.

**The Hon. D.J. SPEIRS:** I refer to Agency Statement, Budget Paper 4, Volume 2, page 139. That is the parks renewal investment budget for the 2022-23 financial year. It is listed in the budget papers as \$950,000. This has dropped from \$1.64 million in the 2021-22 financial year, so the current one. Can the minister detail which projects will be advanced with the \$950,000 that is allocated in the forthcoming financial year?

**The Hon. S.E. CLOSE:** I am advised that the higher previous amount is as a result of having had carryover from work that was scheduled to occur and did not and that therefore the lower amount that exists for this current budget is the normal budget allocation. I am yet to be provided with that list. I am advised that we do not have it with us, so we will take that on notice.

**The Hon. D.J. SPEIRS:** The entry park renewal investment, which is also listed in the same section, has previously been listed as an existing project with an end date of 2025 and a total value of \$7.116 million; however, it is now listed as an annual program. Can the minister explain why and whether this is an impact on the funding allocations that have previously been outlined?

**The Hon. S.E. CLOSE:** Leader, we missed the beginning of which line you are referring to.

**The Hon. D.J. SPEIRS:** Pardon?

**The Hon. S.E. CLOSE:** We missed which project you are referring to in that question.

**The Hon. D.J. SPEIRS:** It is park renewal investment, which previously had an end date of 2025 under Parks 2025. It has now been listed as an annual program. I am not criticising that by any means, but can the minister please explain whether this has an impact on the profiling of funding going forward and has it been extended as an ongoing program as suggested?

**The Hon. S.E. CLOSE:** It has no impact on profiling and has been made ongoing in the budget.

**The Hon. D.J. SPEIRS:** Can the minister estimate what the annual figure of that ongoing funding will be? Will it be around a million dollars, as it is listed in the forthcoming financial year?

**The Hon. S.E. CLOSE:** It is as it appears in the budget papers, but it has been foreshadowed that it is increasing to \$2 million a year.

**The Hon. D.J. SPEIRS:** I am moving down the list on page 139 in the same budget paper and same volume and on the same page. In the annual programs, there has been an allocation for minor capital works and equipment entry of \$6.78 million for 2022-23. Can the minister please provide detail as to what this funding has been allocated towards in the forthcoming financial year? Of course, I understand if this must be taken on notice.

**The Hon. S.E. CLOSE:** I will take this on notice. We have some preliminary ideas here but, given that I have not been fully briefed yet and we need to have a proper discussion about it, I would prefer to take it on notice.

**The Hon. D.J. SPEIRS:** I am moving on to the National Parks and Wildlife program, performance indicators, park revenue, which is Agency Statement, Budget Paper 4, Volume 2, page 142. The 2022-23 target for park revenue is \$16.42 million, which is approximately 40 per cent higher than either the target or the actual result for the current financial year. How will the minister achieve this increase in park revenue?

**The Hon. S.E. CLOSE:** This is a feature of the expectation across government of the return of tourism to South Australia both interstate and of course overseas, so we expect that we will have more visitors coming from outside South Australia that will help us meet those targets.

**The Hon. D.J. SPEIRS:** Can I just clarify that. With the return of more international tourists, which has begun to an extent during this financial year, notwithstanding it will likely increase significantly in the forthcoming financial year, we are expecting that alone to achieve a 40 per cent increase in park revenue?

**The Hon. S.E. CLOSE:** It is essentially a return to pre-COVID levels. It is not just international tourists; it is also interstate tourists. As to COVID, although it meant that South Australians travelled more inside South Australia, the border closing did have an impact, as I am sure the leader would be aware. There is an expectation that we will be returning to pre-COVID visitor numbers.

**The Hon. D.J. SPEIRS:** Does the minister plan to increase park fees beyond CPI?

**The Hon. S.E. CLOSE:** I understand that, when the leader was the minister, he initiated a review of park fees. I am yet to see what is occurring with that review, but I believe it is still ongoing.

**The Hon. D.J. SPEIRS:** When does the minister expect to receive that review?

**The Hon. S.E. CLOSE:** I have no expectations. It will appear when it appears.

**The CHAIR:** If the lead speaker is going to another budget line, I will invite the member for Kavel, who has indicated he has a question.

**The Hon. D.R. CREGAN:** I take the committee to Budget Paper 4, Volume 2, page 145. I note that the heading there is Water Resource Monitoring. Has any aquifer interference modelling been performed by the minister's department with respect to the Bird in Hand goldmine proposal at Woodside?

**The Hon. S.E. CLOSE:** The applications for the mining and processing elements of Terramin's Bird in Hand gold project were lodged with the Department for Energy and Mining in June 2019. In parallel, Terramin lodged water allocation transfer applications with DEW to secure the groundwater allocation required to operate the Bird in Hand (BIH) mine.

The assessment of potential impacts on groundwater is the most complex aspect of the Bird in Hand project. The proposed project is within a high yielding, high-quality, fractured rock groundwater aquifer, and extracting the mineral resource involves mining through the groundwater aquifer. This aquifer is already used by neighbouring businesses to support high-value business activities.

Technical specialist, including groundwater specialists from DEM, DEW and the EPA, have conducted a comprehensive assessment of Terramin's applications, including its groundwater modelling. This assessment, led by the Department for Energy and Mining, considered whether Terramin has demonstrated that the Bird in Hand gold resource can be efficiently and effectively mined while the appropriately managing any impacts to the environment or third parties.

Due to the complex and sensitive nature of the groundwater issues, significant further information was sought from Terramin to support the technical assessment for both the mining and landscapes acts processes. Independent industry experts were also engaged undertake a specialist technical review of the mine proposal and impact assessment. The CSIRO was engaged to provide an independent review of the groundwater modelling, including whether it was fit for purpose and met the requirements of the Mining Act for granting a mining lease.

As the proposed project is located within the Western Mount Lofty Ranges Prescribed Water Resources Area, the assessment of the water allocation transfer applications was undertaken by the

Department for Environment and Water against the principles of the Western the Mount Lofty Ranges Water Allocation Plan. I am advised that the Department for Energy and Mining has been briefed on the likely outcome of these assessments so that they can be considered in the overall assessment with the mining lease application.

If a mining lease is approved, Terramin will be required to develop a plan for environmental protection and rehabilitation, known colloquially as a PEPR, which is subject to a public consultation process. This PEPR will need to be approved by DEM prior to Terramin commencing mining operations. Should the application proceed to this stage, it is anticipated that Terramin will be required to undertake additional groundwater modelling is part of the development of the PEPR.

The next step is for the Department for Energy and Mining to finalise the full technical regulatory assessment report prior to the state government being in a position to make the final determinations under both the Mining Act and the Landscape South Australia Act. There is no legislated time frame for the assessments. The priority is to complete a rigorous and comprehensive assessment of Terramin's applications.

Any further questions on this matter ought be referred to the Minister for Energy and Mining. I am not sure whether his estimates has occurred already or is yet to come, but there is always question time.

**The Hon. D.R. CREGAN:** Thank you, minister. I certainly have put questions to the minister that you mentioned. By way of supplementary, Mr Chair, can I confirm that there is no statutory time line that you are aware of in relation to these matters?

**The Hon. S.E. CLOSE:** As I understand it, there is no legislative time frame for the assessments.

**The Hon. D.J. SPEIRS:** I return to the same line as before. I have a supplementary question to my previous question regarding revenue targets. If that 40 per cent increase in revenue is achieved, will this funding be reinvested into parks in South Australia, or will the funds be returned to the Consolidated Account?

**The Hon. S.E. CLOSE:** As the leader may recall from his time, should we overachieve the income we are able to reapply that to the business of running national parks.

**The Hon. D.J. SPEIRS:** Sorry, I could not hear that answer.

**The Hon. S.E. CLOSE:** As the leader may recall from his time, should we achieve more than is targeted as income, the department is able to apply that to running the business of national parks.

**The Hon. D.J. SPEIRS:** I refer to page 138, again the same Budget Paper 4, Volume 2. We have under new projects the acquisition of the Field River Valley which, as the minister would be aware, was a recent purchase of land at the beginning of 2022 to further the open space precinct around Glenthorne National Park. Will the minister commit to moving towards proclaiming that as part of the protected reserve system?

**The Hon. S.E. CLOSE:** I am probably not telling the leader anything he does not know, but for the benefit of the chamber the Field River Valley is an important area for open space within the Glenthorne National Park precinct. It offers remanent conservation values, built heritage values and opportunities for community recreation and environmental restoration. The land will be proclaimed as a park under the National Parks and Wildlife Act, and that will be either as an addition to Glenthorne National Park or as a standalone park.

Green Adelaide have been involved in planning the area, and they will engage in community consultation prior to any recommendations and decisions to be made by me. Also, Green Adelaide and Trees for Life have been involved in environmental rehabilitation and restoration activities at that site that are aimed at improving water quality to protect threatened native fish and also to restore threatened grassy woodland bird habitats.

If the minister has a subsequent question relating to whether it would be in addition to Glenthorne National Park or a standalone park and what would make the difference in the choice, I do not know. I will wait for the advice that I receive from both the department and Green Adelaide.

**The Hon. D.J. SPEIRS:** The figure in the budget is \$2.990 million, which, without revealing the purchase price because that could still be a commercial-in-confidence arrangement, is quite a bit above the purchase price. I do not think that would be a surprise. Can the minister give an indication as to what the additional funds allocated here are for, and is that additional funding or has that been sourced from Green Adelaide or a combination of revenue sources?

**The Hon. S.E. CLOSE:** As I understand it, the figure the leader refers to is capital funding and is about the purchase of land. The private land to which the leader has referred is not the only parcel of land that is in play but, like the leader, I do not wish to speak out of turn and reveal any details that might not be appropriate in commercial discussions. There is an additional \$500,000 that has been allocated by Green Adelaide for planning and getting ready for proclaiming as a national park or as a park of some sort, allowing that process to be determined by the experts.

**The Hon. D.J. SPEIRS:** Just to clarify, the \$2.990 million, almost \$3 million, is additional funds for capital work to get that land into a state where it would be appropriate to have public access and create a usable national or recreation park?

**The Hon. S.E. CLOSE:** Looking at the budget paper, the investing payments line does refer to the purchase of the land, and the operating expenses line refers to the \$500,000 from Green Adelaide, which is largely about planning. Leader, if you are on page 41, acquisition of the Field River Valley—

**The Hon. D.J. SPEIRS:** Sorry, I was looking at page 138.

**The Hon. S.E. CLOSE:** I am sorry; we might be talking on different budget papers. I think you were talking about page 138 of the Agency Statement.

**The Hon. D.J. SPEIRS:** Yes, I have found page 41 now.

**The Hon. S.E. CLOSE:** In Budget Paper 5, page 41, the investing payments is the purchase price.

**The Hon. D.J. SPEIRS:** Yes, which is public, so we can talk about it.

**The Hon. S.E. CLOSE:** When referring back to the other one, that includes the purchase of additional land, but again I do not want to elaborate too much.

**The Hon. D.J. SPEIRS:** So that is \$1.9 million over two years to acquire and restore.

**The Hon. S.E. CLOSE:** I do not think it is restoration money. I think it is purchase and the planning process. I might take this now off and do a proper answer on notice because there is a little bit of information flying around.

**The Hon. D.J. SPEIRS:** I am not trying to catch the minister out on this one.

**The Hon. S.E. CLOSE:** No, and I do not want to mislead either, nor do I want to say anything that might not be appropriate, so I think the best thing is that we will get a consolidated response for the leader and then that will be clearer.

**The Hon. D.J. SPEIRS:** That is fair. In doing so, it is reconciling, in both our heads probably, the figure of \$2.990 million on page 138 of the Agency Statement and then the Budget Measures Statement on page 40.

**The Hon. S.E. CLOSE:** Yes, that is right. They are reconcilable, I am assured.

**The Hon. D.J. SPEIRS:** Yes, I am sure they are.

**The Hon. S.E. CLOSE:** We will come up with a proper answer in writing so that it is made more straightforward.

**The Hon. D.J. SPEIRS:** No problem. Thank you. Moving on to a set of questions about climate change, I refer to Budget Paper 4, Volume 2, page 134. Are there any new initiatives in the budget arising from the climate emergency declaration that was made on 1 June 2022?

**The Hon. S.E. CLOSE:** I thank the leader for the opportunity to talk about that declaration. It was one of those interesting moments when simply saying something that most people regard to be self-evident was actually welcomed, although of course for most of us it is not sufficient just to acknowledge the truth but the need to do something about it.

The government has come in with a view that climate change needs to not only be talked about but addressed both in the reduction of emissions but also in the recalibrating of our economy so that we can continue to have a strong manufacturing base in South Australia—indeed, we can grow a manufacturing base on the basis of having extremely low emissions electricity generation—and the need to push further into reshaping our economy and preparing our society for warming.

The most significant expenditure in the budget that relates to climate change is of course the building of a hydrogen plant. That nearly \$600 million will make a transformational difference to the capacity for us to firm renewable energy and therefore to have more renewable energy sources come online. I think I have heard Minister Koutsantonis several times mention that in the last four years there were only two new wind farm projects approved or built. Of course, previously there had been significant numbers, which has led South Australia to being occasionally a world leader and occasionally No. 2 in the world at being able to produce renewable energy for our electricity grid.

The idea of having a hydrogen plant that will be able to capture surplus renewable energy, store it and feed it back into the grid when the wind is not blowing and the sun is not shining will, as I say, be transformational, not only for generating more renewable energy projects but also for attracting the kind of new manufacturing that expects to be able to boast being zero carbon in its products.

It will also allow us to explore options for export of hydrogen. Of course, hydrogen is very highly desired by a number of other nations, and the capacity to produce green hydrogen is more rare than one would wish it to be. You hear all sorts of other colours of hydrogen being referred to, but none of them are as climate friendly as the green hydrogen that could be produced here. There is an open question and debate, which I look forward to being part of, about whether we are best off exporting the energy as a form of energy or whether we should export it in the form of goods that we manufacture here using that energy. That will be a good debate to have in the future.

We also, of course, have effort that is directed at working with industry. One of the reasons that I have the portfolios that I am carrying, which result in my being in estimates from 9 o'clock in the morning to 5 o'clock this afternoon, is to bring together more closely the effort on industry with the effort on climate and environment. I think it is important that we no longer allow the false juxtaposition between jobs and the environment. It is time we appreciated that the future of jobs must be consistent with caring for our environment and climate above all.

The work that has already been done by Green Industries, which was transformed from Zero Waste under the previous Labor government but maintained and supported by the most recent government, is significant and they are increasingly pushing into working with industry. Of course, the industry innovation and science effort led by Adam Reid is increasingly interested in working with companies on how to ascertain zero carbon status.

In that capacity, it was a great pleasure for me to go to meet businesses across the state. As I informed the chamber in question time, I recently went to the Limestone Coast for our country cabinet—a welcome return and restoration of country cabinet—to meet businesses there and also in Adelaide. I look forward to very soon going further up north for further meetings with industry to hear so many business leaders welcome the shift towards a zero carbon circular economy and a biodiversity-friendly business.

It does not feel like lip service in the way that it may have 20 years ago when we were talking about the triple bottom line. It feels as though there has been a shift, because the people who run businesses are now of a generation and of an understanding that they know this has to happen for their future and their children's future. There is also recognition that the world markets are

dramatically moving and requiring increasing evidence of being zero carbon and embracing the circular economy.

That means we have at least some leading businesses that are expressing interest. We need to make sure that we are working with the very great number of small businesses in South Australia that might have the willingness but not yet necessarily the capacity. We will be making sure that that is one of the priorities across my portfolio and across into the Department for Energy and Mining.

We will be repealing the electric vehicle tax. I believe that legislation was introduced into parliament by Minister Koutsantonis—I am not sure that it has gone through both chambers yet—in order to send a very clear signal that we do not believe in disincentives in shifting to electric vehicles.

The recent work done by Green Industries, and initiated under the leader when he was minister, to work with councils on how to get food waste out of the landfill bin and into the green waste bin, is a significant climate change initiative as well as one that is about improving our composting effort and making households also feel that they are able to embrace being part of a circular economy.

That has been extremely successful to date—although there is a long way to go yet—with the decision by the City of Holdfast Bay to shift to having, as their standard practice, a weekly pickup of the green bin and a fortnightly pickup of the landfill bin, bearing in mind that they are absolutely embracing the need to be flexible for those households that require a weekly pickup and/or require a larger landfill bin. They have shown great leadership in that, and I am looking forward to other councils embracing that as well. The work done by Green Industries to support that will continue to be of very great significance.

I am glad that finally we have a federal government in this country that understands that climate change is real and that it is important that we respond. I am very much looking forward to working with the new minister, Chris Bowen, on the priorities he articulated in opposition to assist states to make substantial changes. For example, the idea of having community batteries is one I am particularly excited about because so many households are unable to afford batteries themselves but would take advantage of having access to a community battery nearby; more infrastructure to support the rollout of electric vehicles is another.

We have opportunities with two governments aligned on climate change. I accept that in large part the previous government in South Australia took climate change seriously, but they unfortunately did not have a partner in the federal government. Now we have a federal government that is interested, we might be able to make some very significant changes that will really capitalise on the great advantage that South Australia has to shift our economy towards zero carbon.

**The Hon. D.J. SPEIRS:** Are there any practical implications for the department's forward work program in this budget as a result of the climate emergency declaration? Did the effect of declaring an emergency trigger certain actions, programs or initiatives undertaken by the Department for Environment and Water? I know that the minister just outlined a range of things—many initiated under the previous government, but that is by the bye—but many of those were outside the Department for Environment and Water. Are there any practical implications on the forward work plan of this department triggered by that emergency declaration?

**The Hon. S.E. CLOSE:** There are practical implications for the way in which we take the climate change emergency seriously. I think whether we declared it an emergency or not is probably by the bye in terms of the work program. On coming into government, I have included obviously the name of climate change into my title to make it clear that that is the responsibility of a minister in government.

The work program, we have started to have some serious discussions about. We will be bringing in a piece of legislation to amend the Climate Change and Greenhouse Emissions Reduction Act 2007 (that is quite a lengthy title; yes, I have remembered it accurately) an initiative under the Rann government. We will be bringing in some changes to that act. Although at present we are continuing to maintain the strategic climate change plan that had been settled under the previous government, we will be working on a revised version of that.



I have had an excellent meeting with Martin Haese as the Chair of the Premier's Climate Change Council about his suggestions for a forward work program, and we are working through the details of that. I will be in a position to announce various elements of that in the course of the next few months.

**The Hon. D.J. SPEIRS:** Legislation which cements the state's climate emissions target reductions in law has been presented to the parliament in my role as shadow environment minister. Given the minister's comments about the need for such a framework, will the minister be supporting that legislation?

**The Hon. S.E. CLOSE:** I think it is unfortunate that legislation does not have sufficient additional details. I have no objections to the shared targets but not sufficient detail on other elements of legislative change that I would like to make, so we will be going through a normal governmental process of preparing legislation, including consultation, and bringing it in.

**The Hon. D.J. SPEIRS:** Does the minister have a time line with regard to bringing in her own legislation?

**The Hon. S.E. CLOSE:** I am hesitating to speak because I am always quite impatient about getting things done immediately and then realise that there are a number of stages that need to be gone through, so I am probably safer saying as soon as humanly possible.

**The Hon. D.J. SPEIRS:** Does the minister expect that to occur within 2022?

**The Hon. S.E. CLOSE:** I think my answer is sufficient.

**The Hon. D.J. SPEIRS:** Did the minister seek advice from the department or any other source regarding any legal ramifications for the state government in declaring a climate emergency?

**The Hon. S.E. CLOSE:** We did not receive any specific legal advice about the implications of the climate emergency, although given that it has been supported by the ACT government and a number of councils, I think if there were any particular legal issues that exist they might have already been raised.

However, in terms of contemplating the risk around climate change and how that is to be managed appropriately by governments, it was of great interest to me that the Auditor-General in his report last year included a section on climate change as a risk that needs to be managed within an audit risk framework. I think we will see that increasingly occur, where making sure that the reality of climate change as it is at present and the ways in which it can be mitigated are going to become part of the standard processes that exist already as opposed to running separately.

For a long time in working in this area, I was greeted with, 'Well, that's an environment issue.' I think the penny has now dropped that climate change is not an 'environment issue'; it is a planet issue and affects every aspect of human society and lifestyle and economy and therefore governance and risk management. The insurers were early on this case. The insurers, of course, have the difficult task of working out what risk looks like in a rapidly changing climate.

Interestingly, when I was working in the defence department many, many years ago for Tim Flannery when he was the Chair of the inaugural Premier's Roundtable on Sustainability, which was the precursor to the climate council, he was writing *The Weather Makers* at the time. This is back in 2003 or 2004, when climate was well known to scientists but not so widely understood by the general public. I think his book made a significant contribution to that shift, in Australia at least.

The way in which the risk of climate change was being factored in to security analysis even then in the US was startling to me, but it should not have been—that they recognised what we are now starting to see, that the challenges to food security and water supply would be likely to feature in future security scenarios. How do we grapple with the reality of the climate emergency? Whether one declares it to be or not, it is. It is then a question of how one brings that into the way in which we make decisions, how we govern in the larger sense, including the management of risk through audit management, through appreciating the security implications and so on.

All of this is evolving as we work. To do nothing is not the safe option; we need to keep pace. My hope is that when we have an opportunity to do a thoughtful piece of legislation to update the

climate change act we will be able to incorporate some of those elements. We will work through that carefully to make sure that we are keeping South Australia at the forefront of the way in which we respond to this very serious challenge.

**The Hon. D.J. SPEIRS:** Can the minister confirm that the department's funding in the forward estimates is going to be suitable for it to meet its responsibilities under the Climate Change Action Plan 2021-25, albeit the minister did indicate that that might change. With your leave, Mr Chair, I would like to insert a few examples.

The significant items that the Department for Environment and Water is responsible for include coordinating delivery of climate smart business engagement, supporting research and development to deliver new climate smart innovation, growing the South Australian water industry as a local and global supplier of innovative water solutions, implementing the Blue Carbon Strategy for South Australia, supporting the uptake of carbon-farming opportunities across the state, and exploring innovative financing and investment approaches for the adaptation to climate change and the reduction of emissions in the state.

**The Hon. S.E. CLOSE:** The budget is as we have established it. Should we require changes to it, we will contemplate that through the usual processes. It is hard for me to resist noting that nearly \$12 million was taken out of climate change in the leader's first budget, but we will work through with the resources that we have and work through the normal budget processes should we require more.

**The Hon. D.J. SPEIRS:** Can the minister provide an update on the trial of electric planes at Parafield Airport, as promised in the lead-up to the election?

**The Hon. S.E. CLOSE:** I do not believe that sits anywhere in my portfolio responsibilities. I was in a photograph with various other people, but it was not a commitment that I think sits in my portfolio and budget statements.

**The CHAIR:** Which point is that under?

**The Hon. D.J. SPEIRS:** In terms of which paper, it is climate initiative, Budget Paper 4, Volume 2, page 134. It was an announcement from the government posted on Facebook by Blair Boyer MP, which stated, 'A Malinauskas Labor government will fund a trial of electric planes at Parafield Airport—good for noise reduction and reducing climate change.'

**The CHAIR:** I would assume that would be the Minister for Transport who would have some—

**The Hon. S.E. CLOSE:** I actually do not know. I was there. I used to have that area in my electorate, but with various boundary changes—and I was invited to go along as well. I am afraid I do not know where it sits in the budget papers.

**The CHAIR:** Will the minister be happy to advise the lead speaker where he needs to ask that question?

**The Hon. S.E. CLOSE:** Did you say Minister Boyer?

**The CHAIR:** Well, whichever minister.

**The Hon. S.E. CLOSE:** Indeed, I can take it on notice on behalf of the government even though it is not in order to ask the question, given it is not in my budget papers. In the spirit of generosity, I will see if I can find out.

**The Hon. D.J. SPEIRS:** I was not sure where it sat.

**The Hon. S.E. CLOSE:** It is a reasonable question, but it is not mine.

**The CHAIR:** We have landed that one.

**The Hon. D.J. SPEIRS:** I might move on to a different budget line now, the Budget Measures Statement, Budget Paper 5, page 40. I have some questions around the Commissioner for the River Murray. What will the role of the commissioner actually be beyond what is currently done by the Department for Environment and Water or, in fact, the minister as minister for the River Murray?

**The Hon. S.E. CLOSE:** I welcome the opportunity to talk about the River Murray. I have been on various radio stations talking about this in recent weeks as well. We are in a difficult situation, being South Australians and at the bottom of the river. We are victims of the view that any water that comes into your area is yours and that any that goes out is a waste. That is a prevalent if not completely 100 per cent held view by states further up the river and into the Murray-Darling Basin. That makes it very difficult for us to get the water we are required to get for the health of the Murray-Darling Basin. That is true whichever political party is in government. The question then is what you do about it.

Having the most powerful arguments, and capturing the imagination and understanding of the public, is a very big element. Telling everyone that it is okay, that water is coming, that there are not any problems, does not help and does not work, nor does catastrophising. It is really important that we stick to the science, to the facts, but that we use every argument we have at our availability and every opportunity to mount the case.

As a politician, I have a platform that enables me to speak about the River Murray in various forums, including in the media, but there is always the caveat that is imposed by people listening to we politicians—that we are politicians, that of course we would say that. Having other advocates speak as well is really important, particularly in an area that desperately needs to get beyond bipartisanship and be a shared South Australian view about the health of the Murray-Darling Basin.

My view in opposition, and we are now working through that in government, is that to have someone who has a status with the South Australian government but has a separate voice and a separate background, not being an elected official, would be useful in continuing to mount the case that the water required for the health of the Murray-Darling Basin is not coming under the current policy settings, that action is required and that changes are required, let alone what we do as we near the end of the Murray-Darling Basin Plan in 2026, when we are confronted by that plan not being met. Indeed, the 450 gigalitres is due by 2024 and will not be with us by 2024 under the existing settings. It is simply impossible.

So how do we make sure that is understood by people in South Australia and by people interstate and that a powerful and logical case is made to Canberra in particular—and thank goodness we no longer have the National Party holding that portfolio in Canberra—so they understand clearly the strength of our case? That is the reason I wanted to have a Murray-Darling commissioner.

I expect that person to not only participate in debates, participate publicly, speak to decision-makers alongside me as the minister, such as, for example, the new minister Tanya Plibersek, and alongside, at times, Peter Malinauskas as Premier, but also provide reports that are not scanned and vetted by me as a politician but are the reports of the person who wishes to make known that person's views.

As I stated earlier, having come in with that view with an election commitment, it is so important that I allow the experts in the department to go through a process of determining the best way in which to enact that. We have identified someone we would like to have as the commissioner. That person has expressed an interest in doing it. The terms, the conditions and the way in which that will be rolled out are being handled at present by the department. I very much look forward to being able to be public about it, but it is a little too early for me to talk in any more detail than this.

**The Hon. D.J. SPEIRS:** Given that the minister has just identified that someone has been identified or sought out for this role, does that mean there will not be an open, merit-based process around the selection of the commissioner?

**The Hon. S.E. CLOSE:** It depends on what one thinks of as a merit-based process.

**The Hon. D.J. SPEIRS:** A traditional Public Service recruitment process.

**The Hon. S.E. CLOSE:** This is not a traditional public servant. This is not a case of asking a recruitment agency to go out and do a process or to have the HR department run adverts. This is an incredibly important role, and I will be making a recommendation to cabinet on who that person is.

**The Hon. D.J. SPEIRS:** Most commissioners, whether it be the commissioner of the Country Fire Service or the Metropolitan Fire Service or the police commissioner, go through Public Service selection processes. Is the minister saying that because this is not, in her view, a traditional public servant or role, even though they are going to be, by all accounts, managed under the rules of the Public Service Act, and because of the nature of the role it should avoid a proper recruitment process?

**The CHAIR:** I will give you a chance to rephrase that question because there is argument in the last part, and I know the member knows he has put some argument in it. I can either rule the question out of order or he can rephrase it to leave the argument out of it.

**The Hon. D.J. SPEIRS:** Why is the minister not going to undertake an open, merit-based recruitment process for this role?

**The CHAIR:** That is better.

**The Hon. S.E. CLOSE:** This role is less analogous to, say, the commissioner for public employment or the commissioner for fire services, which has a significant management role and legislative role. This is more analogous to a strategic adviser role. I think that the minister—although I am not sure that he appointed Karlene Maywald—maintained the appointment of Karlene Maywald as his water adviser, for example. I do not know about the most recent government, but the government before had strategic advisers for China and for India to assist in trade negotiations, discussions and preparation. It is more analogous to that and therefore it will be a proper process, but it will not be an open call through advertisement.

**The Hon. D.J. SPEIRS:** When does the minister think she will make public the successful person—I will not say 'applicant' because it is not an applicant—who has been appointed?

**The Hon. S.E. CLOSE:** Soon.

**The Hon. D.J. SPEIRS:** When will you go public with this?

**The Hon. S.E. CLOSE:** Soon.

**The Hon. D.J. SPEIRS:** How will the success of the commissioner be measured?

**The Hon. S.E. CLOSE:** That is an interesting question because, of course, what we are trying to do is influence the decisions of other jurisdictions. It would be unreasonable to say that when the Murray-Darling Basin is completely sustainably managed it will be a success but, nonetheless, that is what we are aiming for. It is how we participate in contributing to the decisions that lead to that that we are talking about.

This is a strategy to help deliver something that I imagine we all fervently want. We will do our best, as previous governments have done. What we will not do is overpromise, say that everything is fine, say that water is on its way and meanwhile acquiesce to the interests of other states, rather than maintain the position of South Australia needing all the water that is being listed in the plan, and work on proper review of the Murray-Darling Basin Plan when we get to that point.

**The Hon. D.J. SPEIRS:** Will the commissioner be attending Murray-Darling Basin Ministerial Council meetings?

**The Hon. S.E. CLOSE:** I cannot imagine that would be appropriate. As a rule, the ministerial council meetings have the minister and the chief executive, perhaps a senior adviser such as Mr Ben Bruce sitting behind me, but I do not imagine that the strategic advisory role, which essentially this is, would fit there.

**The Hon. D.J. SPEIRS:** Will the commissioner sit within the reporting infrastructure of the Department for Environment and Water? Will it be a supported office of the Department for Environment and Water?

**The Hon. S.E. CLOSE:** The commissioner will be supported by the department, and some of the funding allocated will go for that support.

**The Hon. D.J. SPEIRS:** Will the commissioner have a role in advocating to a meeting with ministers from other jurisdictions—such as Victoria, New South Wales, Queensland and the ACT—and the federal government?

**The Hon. S.E. CLOSE:** Sorry, what was the beginning of the question?

**The Hon. D.J. SPEIRS:** Will the commissioner have a role in meeting with ministers from those jurisdictions and advocating on behalf of South Australia?

**The Hon. S.E. CLOSE:** My intention is to have a series of meetings, I hope and expect, with Tanya Plibersek, the incoming federal minister. I have already had a lengthy conversation with her. Of course, I knew her because we were both in the world of education before and now we are both in the world of environment and water. Subject to her agreement, I would like to bring the commissioner with me on at least one of the meetings I have with that minister. I have not thought beyond that.

**The Hon. D.J. SPEIRS:** The previous Liberal government took to the election a policy, which had been talked about in a broad sense by both sides of politics, to explore legal options if other basin jurisdictions walked away from the plan or failed to provide a credible pathway for the 450 gigalitres of water recovery. Will your government be doing the same?

**The Hon. S.E. CLOSE:** Indeed, the 'exploring legal options' expression I think is in the Labor election commitments also for the River Murray. We ought to always be exploring legal options. As the leader would be well aware, it is a delicate process of knowing how to manage the risk of engaging in legal action and the likelihood of success. I think it would be foolish not to have a clear understanding of what our options and powers might be as part of the strategy of addressing the Murray-Darling Basin Plan not being fulfilled.

There is the old question of whether there is a constitutional issue. I will not canvass legal opinions here, but it is certainly a fraught area of the debate. The question of whether the Water Act and the plan existing under the Water Act confers entitlements that are yet to be fulfilled is I think of equal legal interest. We will not, clearly, discuss this publicly, as one does not, but I think both sides of this parliament can see the sense in at least being well aware of what our options are.

**The Hon. D.J. SPEIRS:** Moving on from the commissioner to some other water matters, I refer to Budget Paper 4, Volume 2, page 143. Will the department's work be guided by the previous government's Urban Water Directions Statement?

**The Hon. S.E. CLOSE:** I am just getting another adviser, Mr Bruce, to help guide us on this one. Could you repeat the question, please, leader?

**The Hon. D.J. SPEIRS:** Will the department's work be guided by the previous government's fairly recently finalised Urban Water Directions Statement?

**The Hon. S.E. CLOSE:** Having made someone move chairs, my answer is yes.

**The Hon. D.J. SPEIRS:** Excellent. Mr Bruce can stay there, if you like, because I have a range of questions that would probably be more suited to his advice. Will the department's work be guided by the previous government's Water Security Statement?

**The Hon. S.E. CLOSE:** Yes.

**The Hon. D.J. SPEIRS:** Excellent. Will the previous government's stormwater panel—again a fairly recently constituted body—be continued?

**The Hon. S.E. CLOSE:** I understand that a briefing on that for my consideration is being prepared, so I will await that.

**The Hon. D.J. SPEIRS:** The stormwater panel, if continued, would undertake studies into the management of stormwater—quite self-explanatory—particularly in metropolitan Adelaide, where there are particular challenges. If you do not continue with the panel, what bodies would you see providing that advice to you as minister and to the department?

**The Hon. S.E. CLOSE:** By saying that a brief is being prepared, I by no means wish to indicate that I have an expectation that this will be changed. As I understand, a brief is being prepared

and I will await it. I imagine that in the event there is a recommendation of change, there will be alternative models proposed, but I also think it should be clear that it is highly likely that the brief will encourage continuance with the existing model. We will know more soon.

**The Hon. D.J. SPEIRS:** What is the time frame for delivering the Barossa Water Security Strategy?

**The CHAIR:** Whereabouts is this in that point?

**The Hon. D.J. SPEIRS:** Page 143. There are a number of targets for 2022-23 in relation to the management of water for the state and state strategic water investment, and the like. Probably dot point 3:

- Continue to work with key stakeholders to develop targeted water security strategies for key water resources...

I would class the Barossa Water Security Strategy as a pretty significant one of those.

**The Hon. S.E. CLOSE:** I am having an interesting briefing about it. As I understand it right now, it is out for community consultation and that process is working through. It seems to be an example of a useful approach of getting into a regional area and doing some detailed work rather than being at the greater region scale. We are encouraged by its progress and it is continuing.

I think the Chair may have some familiarity with it and is nodding happily about the process to date. The community, as I understand it, is very engaged and very positive about the process to date, so I look forward to hearing more about it in due course.

**The Hon. D.J. SPEIRS:** In terms of the time frame, do you expect that to be finished by the end of 2022, or will it take longer than that?

**The Hon. S.E. CLOSE:** I will take that on notice too. We do not have a briefing on it and I do not want to give a false time frame here today. I am happy to provide it in due course though.

**The Hon. D.J. SPEIRS:** Will the department continue with the South Australian Water Ambassador role?

**The Hon. S.E. CLOSE:** Yes, we will continue it. We are just in the process of renewing that role, I believe.

**The Hon. D.J. SPEIRS:** You intend to retain it?

**The Hon. S.E. CLOSE:** Yes.

**The Hon. D.J. SPEIRS:** I will move on to a different area but still water, in relation to the interaction between water and forestry—not the forestry portfolio but much more the water portfolio—Budget Paper 4, Volume 4, page 58, in particular the Lower Limestone Coast Water Allocation Plan. Has funding been allocated in the 2022-2023 budget or over the forward estimates to fund the review of the 2013 Lower Limestone Coast Water Allocation Plan, as committed to in the Labor Party's election platform?

**The CHAIR:** I would just like to clarify that. By looking at it, it is under forestry policy.

**The Hon. D.J. SPEIRS:** The water allocation plan is an instrument of the landscape board, which sits with the environment minister.

**The CHAIR:** Just for my benefit, the dot point is where?

**The Hon. D.J. SPEIRS:** Forestry could be described as a significant stakeholder, but not the doer.

**The Hon. S.E. CLOSE:** Are you in the Agency Statements, leader?

**The Hon. D.J. SPEIRS:** Budget Paper 4 in the Budget Measures Statement, page 58.

**The Hon. S.E. CLOSE:** In Budget Paper 5, the Budget Measures Statement, there is a good explanation, I think. On page 44 it states:

This initiative provides \$800 000 over three years from 2021-22 to accelerate the review and development of the next Lower Limestone Coast Water Allocation Plan (WAP) by improving the understanding of the region's groundwater resources.

The WAP review will now commence in July 2022, rather than late 2023, with the completion brought forward by 18 months to conclude by December 2024.

**The Hon. D.J. SPEIRS:** What you have referred to, I think, minister—I am not being annoying here; I am trying to assist—was \$800,000 that was allocated in the Mid-Year Budget Review to accelerate the water allocation plan for the Lower Limestone Coast, the new plan. But the current government committed to review the entire plan, rather than do a new one. It was a review. That sounds like things that could be done together but, given the complexity of water allocation planning, possibly not.

**The Hon. S.E. CLOSE:** I will speak briefly to this, but I am also going to seek a written answer, taking this on notice, for some of the detail. Recently, I had a discussion with the landscape board about this project. As I understand, it will be setting up a committee that includes industry and community to make sure that there is good oversight of the way in which the water allocation plan is conducted. But, as I say, I will take the detail of this on notice in order to clarify the process that is being used.

**The Hon. D.J. SPEIRS:** Thank you. I might run through a few very short questions I have that you could possibly answer but possibly take on notice as part of that. Is the announcement by the Labor Party to review the Lower Limestone Coast Water Allocation Plan a different process from the \$800,000 that was previously committed to fast-track the new plan? How much is the review expected to cost? Is it more than the \$800,000? Who will conduct the review? Will the terms of reference for the review be made public? When will the review commence?

Will other water stakeholders be consulted during the review? When is the review expected to be completed and the report provided to the minister? Will the minister commit to making the report public? Will the review slow down the delivery of the final Limestone Coast Water Allocation Plan, which was accelerated due to \$800,000 of funding from the previous government? Will the review duplicate the previous review of the 2013 Lower Limestone Coast Water Allocation Plan that is being conducted by the Department for Environment and Water and the Limestone Coast Landscape Board?

**The CHAIR:** Given the detail involved—

**The Hon. S.E. CLOSE:** All those will go on notice, and I think that is why the leader read them out that way. No problem at all.

**The Hon. D.J. SPEIRS:** Yes, I am trying to be helpful by putting them all on notice at once.

**The Hon. S.E. CLOSE:** Yes, I appreciate the purpose behind the question.

**The CHAIR:** I do note a few assumptions in those questions which may be inaccurate, but I am sure the minister will sort that out.

**The Hon. D.J. SPEIRS:** Yes.

**The Hon. S.E. CLOSE:** Indeed.

**The Hon. D.J. SPEIRS:** On related questions but not about the review, the government committed to investigate the options for diverting water flow from the drainage network in the South-East away from the sea and retaining it in the landscape, based on a scientific analysis and principles of improved environmental and sustainability outcomes. Which agency has responsibility for this project and how much funding has been set aside for the investigation?

**The Hon. S.E. CLOSE:** I will take that on notice also. I think there will be some work done across the landscape board and PIRSA, but we will sort out the governance of that project properly.

**The Hon. D.J. SPEIRS:** A related question is: who will conduct the investigation and when will it be completed? I suspect you will take that on notice.

**The Hon. S.E. CLOSE:** Indeed.

**The Hon. D.J. SPEIRS:** I want to move entirely on to another area. Through the Chair, this is an area the minister has declared a conflict of interest in, regarding coastal protection and the movement of sand between West Beach and Semaphore or vice versa. Does the minister want to take these questions herself or move to a public servant, given that declared conflict?

**The CHAIR:** Can I have what the dot point is?

**The Hon. D.J. SPEIRS:** It would be Budget Paper 5, page 40, which is the Adelaide's Living Beaches program and the movement of sand.

**The CHAIR:** Sorry, assist me because I am not clear.

**The Hon. D.J. SPEIRS:** Page 40 of Budget Paper 5, in the Budget Measures.

**The Hon. S.E. CLOSE:** I think the question was: did I want to take the questions myself or have a public servant here today answer them?

**The CHAIR:** Actually, I wish to make a comment on that before you answer.

**The Hon. D.J. SPEIRS:** I do not have an issue with it; I just have a question. I am trying to identify where it is. It is certainly there somewhere. There is a large list on page 40. It is within the Environment and Water operating initiatives.

**The CHAIR:** The vibe is not enough, shadow minister.

**The Hon. D.J. SPEIRS:** Coastal protection.

**The CHAIR:** Coastal protection?

**The Hon. D.J. SPEIRS:** Yes, it is under coastal protection. Sorry about that.

**The Hon. S.E. CLOSE:** Are you ready for me to respond, Chair, or did you want to say something?

**The CHAIR:** Yes. I do not think it is appropriate for public servants to answer questions directly. It is quite clear questions are through the minister and the minister responds. I would suggest that there is a different way for the member to put those questions on notice, and the appropriate minister on behalf of the minister may then provide answers. You may wish to include them in your omnibus questions, or you could put them as questions on notice and then you will get a response from the appropriate minister on behalf of the government. Is the minister comfortable with that suggestion?

**The Hon. S.E. CLOSE:** The Chair has read my mind.

**The Hon. D.J. SPEIRS:** This is a fairly significant part of the budget. I would like to litigate this matter today with senior public servants here. I think that is an appropriate request.

**The CHAIR:** The member for Black has hopefully heard my ruling. If he wishes to dissent from my ruling, I am more than happy to recall the house and put that dissent to the house.

**The Hon. D.J. SPEIRS:** I will ask the member for Morphett to—

**The CHAIR:** I am more than happy for you to put the questions on notice. You will get a response and you can then do what you wish when the responses come to you by 2 September.

**The Hon. D.J. SPEIRS:** The member for Morphett might take over and read the omnibus questions for three or four minutes while I reflect on your ruling, sir.

**The CHAIR:** The record for omnibus questions is about four minutes at the moment.

**The Hon. D.J. SPEIRS:** I will come back and do some more questions afterwards.

**Mr PATTERSON:** I read the following omnibus questions into *Hansard*:

1. For each department and agency reporting to the minister, what is the total cost of machinery of government changes incurred between 22 March 2022 and 30 June 2022?



2. For each department and agency reporting to the minister, which administrative units were created, abolished or transferred to another department or agency between 22 March 2022 and 30 June 2022 and what was the cost or saving in each case?

3. For each department and agency reporting to the minister, how many executive appointments have been made since 22 March 2022 and what is the annual salary and total employment cost for each position?

4. For each department and agency reporting to the minister, how many executive positions have been abolished since 22 March 2022 and what was the annual salary and total employment cost for each position?

5. For each department and agency reporting to the minister, what has been the total cost of executive position terminations since 22 March 2022?

6. For each department and agency reporting to the minister, will the minister provide a breakdown of expenditure on consultants and contractors with a total estimated cost above \$10,000 engaged between 22 March 2022 and 30 June 2022, listing the name of the consultant, contractor or service supplier, the method of appointment, the reason for the engagement and the estimated total cost of the work?

7. For each department and agency reporting to the minister, will the minister provide an estimate of the total cost to be incurred in 2022-23 for consultants and contractors, and for each case in which a consultant or contractor has already been engaged at a total estimated cost above \$10,000, the name of the consultant or contractor, the method of appointment, the reason for the engagement and the total estimated cost?

8. For each department and agency reporting to the minister, will the minister advise whether it will be subject to the 1.7 per cent efficiency dividend for 2022-23 to which the government has committed and, if so, the budgeted dollar amount to be contributed in each case and how the saving will be achieved?

9. For each department or agency reporting to the minister, how many surplus employees were there at 30 June 2022, and for each surplus employee, what is the title or classification of the position and the total annual employment cost?

10. For each department and agency reporting to the minister, what is the number of executive staff to be cut to meet the government's commitment to reduce spending on the employment of executive staff by \$41.5 million over four years and, for each position to be cut, its classification, total remuneration cost and the date by which the position will be cut?

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

- What savings targets have been set for 2022-23 and each year of the forward estimates;
- What is the estimated FTE impact of these measures?

12. For each department and agency reporting to the minister, will the minister advise what share it will receive of the \$1.5 billion the government proposes to use over four years of uncommitted capital reserves held in the budget at the time it took office and the purpose for which this funding will be used in each case?

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

- What was the actual FTE count at 30 June 2022 and what is the projected actual FTE count for the end of each year of the forward estimates;
- What is the budgeted total employment cost for each year of the forward estimates; and
- How many targeted voluntary separation packages are estimated to be required to meet budget targets over the forward estimates and what is their estimated cost?

14. For each department and agency reporting to the minister, how much is budgeted to be spent on goods and services for 2022-23 and for each year of the forward estimates?

15. For each department and agency reporting to the minister, how many FTEs are budgeted to provide communication and promotion activities in 2022-23 and each year of the forward estimates and what is their estimated employment cost?

16. For each department and agency reporting to the minister, what is the total budgeted cost of government-paid advertising, including campaigns, across all mediums in 2022-23?

17. For each department and agency reporting to the minister, please provide for each individual investing expenditure project administered, the name, total estimated expenditure, actual expenditure incurred to 30 June 2022 and budgeted expenditure for 2022-23, 2023-24, 2024-25 and 2025-26.

18. For each grant program or fund the minister is responsible for, please provide the following information for the 2022-23, 2023-24, 2024-25 and 2025-26 financial years:

- Name of the program or fund;
- The purpose of the program or fund;
- Budgeted payments into the program or fund;
- Budgeted expenditure from the program or fund; and
- Details, including the value and beneficiary, or any commitments already made to be funded from the program or fund. That concludes the omnibus questions.

**The CHAIR:** And that covers the minister's whole portfolio today.

**Mr PATTERSON:** Yes, thank you for confirming that.

**The Hon. D.J. SPEIRS:** I will move on from the coastal questions but put on the record my serious disappointment with the lack of transparency around this issue and the inability to use the estimates process to litigate this matter.

**The CHAIR:** The member is now reflecting on a ruling of the Chair, which constitutes an objection to the Chair. The member either withdraws that statement or I am duty-bound to report this to the Speaker, who then will recall parliament tomorrow morning at 9.30 and put the matter—

**The Hon. D.J. SPEIRS:** We do not want that, so I better withdraw it.

**The CHAIR:** Thank you. The matter is withdrawn.

**The Hon. S.E. CLOSE:** If I may, with indulgence, I would welcome the leader asking questions that will be answered through this process. I respect the ruling that it is not appropriate to ask questions directly of public servants. I appreciate the leader is running out of time to ask many questions. He may wish to ask them now or, alternatively, write to me with those questions. We will answer them but through the appropriate processes. I do not want a lingering suspicion that, because of a ruling of the Chair, which is a justified one, there is any reflection on this department not wishing to answer questions. That would be unfair.

**The CHAIR:** As I indicated, the member is quite within his rights to put them on notice. They will be in *Hansard* and then also the responses will be part of *Hansard* when they are formally responded to, so he gets both the questions and responses on the record, but I will leave it up to the minister.

**The Hon. D.J. SPEIRS:** I think what I will do—

**The CHAIR:** You will move on?

**The Hon. D.J. SPEIRS:** —is move on—

**The CHAIR:** Thank you.

**The Hon. D.J. SPEIRS:** —and seek a special meeting of Budget and Finance to call the public servants to address this matter, so they can be forewarned that will happen, subject to the other place.

**The CHAIR:** You can always try.

**The Hon. D.J. SPEIRS:** Yes, I will not provide any more commentary here; I will do that via the media. I will move on to Budget Measures Statement, Budget Paper 5, page 40, which is Greening Adelaide's Heart questions. An operating saving for the Department for Environment and Water was the Greening Adelaide's Heart program. My question to the minister is: why was this program axed? What initiatives does she have in place to provide climate resilience and cooling and greening of the central business district of Adelaide?

**The Hon. S.E. CLOSE:** I welcome the question on this because I appreciate it has caused some angst for the leader, having put this into the Mid-Year Budget Review prior to an election to support activity in Adelaide.

There are a number of questions to be raised about greening the heart of Adelaide. Everyone likes to see money spent on environment issues, but I have had a number of questions raised with me, for example, although I have subsequently had very good conversations with the Lord Mayor. I understood that initially the proposition was that all that money would be matched by council, and that does not appear to be currently the case in the council's budget. I will be working with the council over time, particularly, I guess, paying attention to the fact that there is an election in November.

The question on the way in which the Kaurna nation were engaged with, and the concerns they had raised about the use of Pinky Flat in part of the project, I think needs to be carefully considered and addressed prior to any further such activity. I believe that one element—

**The Hon. D.J. SPEIRS:** I am sorry, Pinky Flat was not part of the program. Pinky Flat was part of a River Torrens program. This is about Adelaide's built CBD.

**The Hon. S.E. CLOSE:** —of the project was a cool corridor being built, which I understand the council already has in its budget to fund, and then there was money for planting trees. I do appreciate—that is the particular nature of the conversation I had with the Lord Mayor—the challenges of planting trees in the city. I imagine it is complex in lots of suburbs as well, but it is particularly complex in the city.

With lifting any pavement, you find a whole lot of infrastructure that you might not have known was there, and some of it is quite aging. It makes it quite difficult to know where and how to plant, and it makes it therefore are more expensive I would note, however, that there are a number of election commitments that counterbalance the non-funding of some planting in the CBD, including \$4 million that has been set aside for both the street scapes of Hutt Street and Melbourne Street, which will include cooling effort.

More importantly, I think more substantially, are the election commitments that are being acted on geared to a broader question of how we protect our tree canopies, so the review that is being undertaken by Minister Champion on the tree canopy regulations. The loss of trees is more important in many ways, because of the age of the trees, than planting new ones, although both matter.

The use of the planning and development contributions, up to 10 per cent being allocated for councils to buy new land, is an attempt to guide councils to increasing green space in the context of so much green space being lost through the two for one, three for one developments that are occurring and that people have raised serious concerns across Adelaide about. My hope is that we will see more green areas as a result of that—

**The CHAIR:** Sorry, Chair, this was a program about that CBD, not across metropolitan Adelaide.

**The CHAIR:** The member has asked the question.

**The Hon. D.J. SPEIRS:** A very specific question.

**The CHAIR:** I think it was greening Adelaide.

**The Hon. D.J. SPEIRS:** No, Greening Adelaide's Heart. It is a CBD program. I am very conscious that we have only three minutes of this opportunity left.

**The CHAIR:** And you have wasted a few by your interjections.

**The Hon. D.J. SPEIRS:** Well, it was being wasted anyway with irrelevant information, so might as well me waste it than the minister waste it.

**The CHAIR:** There is a commentary in there that I will just put aside for a moment, but you have asked a question, the minister has an opportunity to respond and, as I said earlier, the same rules apply. The minister can respond to the question as she sees fit. You may not like the answer, but that is the reality.

**The Hon. S.E. CLOSE:** Of course, I have had discussions with Green Adelaide about what their ambitions are for the CBD and across Adelaide, including the way in which they will use their funds for greening projects in a way that is less about just specific individual trees and more about building in WSUD and BSUD as they are called (water sensitive urban design and biodiversity sensitive urban design). I understand councils, including the City Council I imagine, are interested in the more integrated approach to the way in which we green. They are the range of ways in which we are addressing the concerns that were sought to be addressed in that pre-election commitment by the previous government.

I also commit to ongoing discussions not only with Green Adelaide, which is an excellent institution and very well led, but also with the Lord Mayor, for whom I have the highest respect, and working out plans that we consider to be more appropriate and well managed.

**The Hon. D.J. SPEIRS:** Responding to the answer provided by the minister, is she saying that the Adelaide Lord Mayor said that this project was unnecessary because the council was already advancing greening and cooling projects and did not need the additional money?

**The Hon. S.E. CLOSE:** That is not what I said.

**The Hon. D.J. SPEIRS:** Specifically, in relation to the cool corridor, you suggested that they were already doing initiatives in that vein?

**The Hon. S.E. CLOSE:** I have been advised that the cool corridor was already being funded by the council, but not by the Lord Mayor.

**The Hon. D.J. SPEIRS:** Who provided that advice?

**The Hon. S.E. CLOSE:** I am not going to identify that person.

**The Hon. D.J. SPEIRS:** That is all a bit bizarre. I think on that bizarre note, we will finish estimates because it is 11.15.

**The CHAIR:** That is my decision, not yours. I can agree with the bizarre bit, as some of your comments have been. The allotted time having expired, I declare the examination of the Department for Environment and Water complete. I would like to thank the members of the committee, the minister and the advisers for what has been, overall, quite a civil discussion.

*Sitting suspended from 11:15 to 11:30.*

#### **Membership:**

Mr Cowdrey substituted for Mr Patterson.

Mr Whetstone substituted for Mr McBride.

#### **Departmental Advisers:**

Mr D. Ryan, Chief Executive, SA Water.

Ms J. Guerin, Chief Financial Officer, SA Water.

Mr A. Fletcher, Chair, SA Water Board.

Mr T. Jacka, Manager, Financial Governance, SA Water.

**The CHAIR:** The portfolio is SA Water. The minister appearing is the Minister for Climate, Environment and Water. I declare the proposed payments reopened for further examination. I call on the minister, if she wishes, to make a statement and introduce her advisers. I will then call on the lead speaker for the opposition to make a statement or to go straight to questions, as he desires. Minister, the floor is yours.

**The Hon. S.E. CLOSE:** I will not be making an opening statement, other than to thank the public sector workers who have worked so hard to prepare all the documentation for estimates and also for the work they do throughout the year. I will introduce the people sitting around me. Obviously, people would be aware that David Ryan is the Chief Executive of SA Water. Jacqueline Guerin is the Chief Financial Officer for SA Water. Andrew Fletcher, who is very well known to all, is Chair of the SA Water Board for another week. Behind me, I have Tony Jacka, who is the Manager of Financial Governance.

**The Hon. D.J. SPEIRS:** I do not wish to make any statement by way of opening.

**The CHAIR:** We will go straight to the questions.

**The Hon. D.J. SPEIRS:** I refer to Budget Statement, Budget Paper 3, table 5.2, page 70, under the public non-financial corporation sector budget aggregates, the Cobdogla Irrigation and Steam Museum. Can the minister provide an update on SA Water's Cobdogla Irrigation and Steam Museum's sponsorship and whether this will be continuing?

**The Hon. S.E. CLOSE:** I am aware that there is interest from various members of the community towards the Cobdogla Irrigation and Steam Museum. During the past decade, there have been several safety incidents identified at the site, including a serious accident in 2012. As a result, SA Water has since sought to manage these safety risks by limiting access to sections of the site that pose risk or activities that pose risk.

As an economically regulated corporation, SA Water does not consider its role as the custodian or sponsor to be in the best interests of its overall customer base. This is supported by the Essential Services Commission of South Australia, which was advised that, as the site has not been used for the production of drinking water, customer revenue could not be allocated for extensive remediation works required on site.

Importantly, the operation of the site and the Cobdogla Irrigation and Steam Museum does not fall within SA Water's core business as defined within the South Australian Water Corporation Act 1994. SA Water are the custodians of the site in the Riverland, and those assets were transferred to the former engineering and water supply department in the mid-1980s.

While the site has never been part of SA Water's supply networks, it is home to the state heritage-listed Humphrey Pump and supports infrastructure that was in active use from the 1920s through to the 1960s to pump water from the River Murray for irrigation purposes. Until 2012, the pump was operated on four or five occasions each year during scheduled open days of the museum. Such is the uniqueness of the pump that its restoration drew worldwide interest from engineering and heritage enthusiasts and continues to do so.

Following a serious safety incident in 2012, a site safety audit identified safety and environmental risks that required remediation, including the pump house, buildings and storage areas and a tar pit that was used to dispose of waste generated when the pump was operational. Given these risks, SA Water as the custodian of the site limited access and operations in those sections of the site where risks had been identified until remediation works were completed in 2020. These remediation works were costed at approximately \$1.3 million.

In August 2021, a broader safety audit identified 31 findings that posed a safety risk to members of the Cobdogla Steam Friends Society and the public. The findings mainly pertained to the presentation of museum artefacts and safety procedures for operating and maintaining the site. Of the 31 findings, 18 required immediate action, and these were corrected, many of them with interim control measures, prior to the next open day held in October 2021.

As a current custodian of the site, this presents an ongoing liability and risk to SA Water and, accordingly, SA Water has continued to work closely with the Cobdogla Steam Friends Society in managing the safety issues. For a number of years, SA Water has supported the group of volunteers associated with the Cobdogla Steam Friends Society through a sponsorship agreement to operate and maintain the museum. The current sponsorship agreement is for \$70,000 per annum and is set to expire next week on 30 June 2022.

The purpose of the sponsorship has been to enable the Cobdogla Steam Friends Society to operate and generally care for the museum and the surrounding site. When SA Water and the Cobdogla Steam Friends Society signed the most recent sponsorship agreement in June 2020, it was discussed that it was not SA Water's intent to continue entering into ongoing sponsorship agreements with the Cobdogla Steam Friends Society. That sponsorship agreement included a clause that required both SA Water and the Cobdogla Steam Friends Society to investigate alternate ongoing financial support beyond the term of the agreement.

SA Water has made efforts to find alternate support for the site and, in parallel, has sought to capture the knowledge of volunteers by entering into agreement with TAFE to produce an interactive virtual reality training program. SA Water recently confirmed to the Cobdogla Steam Friends Society that the sponsorship agreement would conclude on 30 June 2022, as outlined in the most recent agreement, and not be renewed, with the Cobdogla Steam Friends Society needing to source alternative ongoing financial support after that date.

In light of the Cobdogla Steam Friends Society not having secured alternative options for the future, SA Water advised them that they would provide continued financial support of \$30,000 for the next six months while SA Water works together with the volunteers to find and access potential alternative funding and operating models for the future.

**Mr WHETSTONE:** I have a supplementary for the minister. With regard to the Cobdogla Irrigation and Steam Museum, if I may I will give a little bit of history about the agreement that was reached with the museum. In 1986, there was a jubilee project, and an agreement was reached to form the Cobdogla Irrigation and Steam Museum. In 1988, there was an agreement, through a public meeting, to sponsor the historic museum.

Through time, there have been formalised funding agreements. In 2014, there was a 10-year average spent on maintaining the museum, and that 10-year average was, as you said, \$70,000. To formalise the funding, that \$70,000 is there specifically for insurance, the fuel to run some of the historic artefacts and also for maintenance. As you said, in 2012 there was an incident. It was a carbon monoxide breach, which has been maintained and repaired, as was requested. What we have seen is that the shedding and the tar pit mediation has been ongoing, as has the gas monitoring equipment.

Minister, having a vested interest in this, I would like to highlight that the Cobdogla Irrigation and Steam Museum has the only working Humphrey Pump in the world. It also has the only working crane traction engine in Australia, and the Bagnall steam locomotive is the only one in Australia. Currently, the museum's volunteers are donating between 6,000 and 9,000 hours per annum to keep that museum open, and that has been happening for 34 years.

Remediation is currently going on at the tar pit, and that remediation seems to be ongoing. Hire equipment is located there, as well as an excavator, air compressors, forklifts, bunding for fuel tanks and site huts, which have sat idle for the last number of months at cost to government. I am wondering how you justify that there has never been a public liability claim at the steam museum?

The audit has been dealt with, yet as a budget saving you are going to pull \$70,000, which will close the museum with its rich history of irrigation as well as steam artefacts in South Australia. It will be a move by you as a minister and your government that will close the museum once and for all.

**The CHAIR:** Member for Chaffey, I am more than happy for you to ask a question on this matter.

**Mr WHETSTONE:** Thank you, Chair. I will ask the question.

**The CHAIR:** Let me finish. Most of what you just said was mainly argument and not a question. If you could rephrase it, I am happy for you to put a question to the minister about this matter.

**Mr WHETSTONE:** No, what I have just given you are facts, sir. The question, minister, is—

**The CHAIR:** Actually, you needed my leave to do that, which you did not do, but we will gloss over that. Move on.

**Mr WHETSTONE:** Minister, how much is the hire equipment that is currently sitting idle at the Cobdogla Irrigation and Steam Museum, costing taxpayers, while you pull the \$70,000 funding that is keeping that museum alive?

**The Hon. S.E. CLOSE:** I am going to have to take the specific question that you ask about that asset on notice because we do not have that information here. But to put a bit more context to my rather lengthy initial response, the decision to include a clause in the final contract to provide funding to the society was made in 2020 under the previous government and that this would be the last one.

That was a decision made given the advice particularly, I imagine, from ESCOSA. We are not privy to the thinking of the minister or the board at the time. That would be a reasonable response, the decision by ESCOSA that this is not an appropriate use of funds that are regulated and paid by all the community for their water.

I think it is a mark of the effort that SA Water want to take to not see the future as you have described it, with the closure to occur, that they have extended for another six months—even though it is now beyond that contract—with another \$30,000 and redoubled the efforts to assist the society to find alternative funding. I think that is a mark of the corporation's sincere wish for the closure not to occur.

However, it is not well placed with a corporation that is here to supply water and sewerage services and so on. We need to find an alternative collectively. I am happy to have an offline discussion if there are any thoughts the member may have. As I said, the \$30,000 keeps everything going, but a decision was made back in 2020 that this needs to stop, and I see no reason to alter the former minister's or the previous corporation's decision.

**The Hon. D.J. SPEIRS:** I will change topic now from the largest Humphrey Pump in the world and move to Agency Statement, Budget Paper 4, Volume 2, page 138, or Budget Paper 3, page 71 because I think it could fall into either item, around the opening our reservoirs initiative. We see a deletion of funding from the reservoirs program between the current financial and the forthcoming financial year. My question is: why has the Labor government not committed to the previous government's future reservoirs projects and initiatives, as out outlined by the previous government?

**The Hon. S.E. CLOSE:** Can we have the reference again, please.

**The Hon. D.J. SPEIRS:** The SA Water references are very difficult because there are so few lines in the overall budget paper, so I will say page 71 of Budget Paper 3, which is the headline income of SA Water and contributions to SA Water activities, both financial and non-financial.

**The Hon. S.E. CLOSE:** Where is the leader seeing that there is a change in approach to reservoirs?

**The Hon. D.J. SPEIRS:** That is in Budget Paper 4, Volume 2, which is on page 138, under the 'Opening Up South Australia's Reservoirs' headline under 'Existing projects'.

**The Hon. S.E. CLOSE:** The reason we are taking some time is that I have had no discussion about withdrawing support for our reservoirs, so I am struggling to find the reference that suggests otherwise.

**The CHAIR:** The member is referring to the line on page 138 of Budget Paper 4, Volume 2, where it talks about 'Opening Up South Australia's Reservoirs'. I think that is the one you are referring to. If you look at the budget line, I think he is referring to that budget line there, but I could be corrected.

**The Hon. D.J. SPEIRS:** You are right.

**The CHAIR:** I am right?

**The Hon. D.J. SPEIRS:** We have no doubt.

**The CHAIR:** I will just remind you that I am right when I actually call you out as well, okay?

**The Hon. S.E. CLOSE:** We will come back on notice if there is more detail but, as I understand it, the task force has completed its work and that might represent a drop in funding associated with the DEW effort which was in the previous estimates. If the suggestion is that this government is stepping away from maintaining the open reservoirs, that is simply not the case. We will take the detail of that on notice. As the leader points out, it is quite complicated to find references in the budget pages to SA Water activities.

**The Hon. D.J. SPEIRS:** On the same reference, when in opposition the now Deputy Premier said that she would undertake a review of the science, which was relied upon to open South Australia's reservoirs for recreation. Has that review commenced, when will it be complete and will the findings be made public?

**The Hon. S.E. CLOSE:** I do not recall that statement. I am not saying I did not say it; I just do not recall it. I think that might have been quite early on, if I did. There was no election commitment to that effect. Early on, there were a number of concerns raised, including a leaked document I received that raised serious concerns about water quality challenges. From the time when those questions were raised, a lot of money has been spent, largely by SA Water, on increasing the treatment of water in order to make sure that it is safe.

Having witnessed that expenditure, I no longer felt that an independent review would be necessary. I think it may have been, had there been no additional effort at water treatment, which appeared to be the case early on in the term of the previous government. The position I took coming into government, and I said publicly many times, was that I would seek assurance from SA Health, which is obviously the lead in this, that they regarded the current management of the reservoirs being open as safe. I received that information within the very brief period of having been elected and appointed as the minister. Therefore, I remain comforted by that advice.

**The Hon. D.J. SPEIRS:** On that basis, will the minister rule out future reservoir closures and/or a winding back of recreational access to some reservoirs?

**The Hon. S.E. CLOSE:** Did you ask if I would be winding back access?

**The Hon. D.J. SPEIRS:** Will you rule out winding back access or closing reservoirs?

**The Hon. S.E. CLOSE:** I have no intention to wind back any current access to reservoirs. Should the health advice change, sure; should anything else—fire risk—I do not know. I cannot anticipate what might happen, but I have absolutely no intention to do that at all, nor does anyone else in my government. I am sure there are local members of reservoirs who are very keen on enjoying the access that is now secured through the expenditure on that water treatment.

**The Hon. D.J. SPEIRS:** Will the Labor government be providing additional funding to further capital upgrades to enhance recreational access at South Australia's reservoirs, including access from Happy Valley Drive to Happy Valley Reservoir, where there are existing plans for car parking, toilets and day visitor facilities?

**The Hon. S.E. CLOSE:** I have not had presented to me any proposition that there be additional expenditure. It was not raised through the budget process by any of the agencies associated with opening up the reservoirs. That is not to say that they will not in future and that we will not look at that, but that is not something that they have presented to me as something that ought to take action soon.

**The Hon. D.J. SPEIRS:** To be clear, the government currently has no plans to facilitate access to Happy Valley Reservoir from Happy Valley Drive on the east of the reservoir precinct?

**The Hon. S.E. CLOSE:** There is nothing in the budget to facilitate that. That does not mean that it will not happen in the future.



**The Hon. D.J. SPEIRS:** Can the minister provide an update on fish stocks in reservoirs and how that is being managed?

**The Hon. S.E. CLOSE:** All the fish stocking that was due to happen by the end of this year has already occurred, I am advised. We have no updates on how the fish are faring at this stage.

**The Hon. D.J. SPEIRS:** Will fish stocking, funded through licence fees for recreational fishing access to reservoirs, continue on an ongoing basis?

**The Hon. S.E. CLOSE:** I am advised it is the intention that that will continue to occur. It is not actually SA Water that does the fish stocking. It is other departments that have the capability; whether they have access to the fish and the experts to do it is the only question mark because it is not within the purview of the people who are advising me here now. But, in terms of taking money and assigning it to that, nothing will change.

**The Hon. D.J. SPEIRS:** Has SA Water estimated when reservoir visitations, as a result of the hugely popular opening of them, will reach one million visitations?

**The Hon. S.E. CLOSE:** I am advised that precise estimate has not been undertaken but we are at about 730,000 to date and expect about 400,000 a year.

**The Hon. D.J. SPEIRS:** Will SA Water be communicating when this milestone is reached?

**The Hon. S.E. CLOSE:** Having had it suggested by the leader, we are entertaining the idea as a useful one.

**The Hon. D.J. SPEIRS:** Has SA Water been advised by the minister or any of the minister's staff not to communicate or promote the opening of reservoirs, including visitation milestones?

**The Hon. S.E. CLOSE:** I do not believe anyone has ever said that to me, and my understanding is that SA Water has never provided any such advice.

**Mr COWDREY:** Referring to the Budget Statement, Budget Paper 3, page 51, surrounding the dividend return to government from SA Water, can the minister please provide further detail behind the sharp increase in the dividend to the government from year 2022-23, from \$57.7 million to \$140 million? There is a footnote that provides some context, but can you explain further the significant increase in dividend return to government?

**The Hon. S.E. CLOSE:** As I am sure the shadow treasurer is aware, there are a number of factors that go towards explaining this, including an expectation of the sale of more water. I imagine countenancing climate variability and how wet it has been recently, we know that means that it will be dry in the future and that there will be more water sales. But the most significant element is about third-party works. There are about \$85.8 million of third-party works. There is a project by the Department for Infrastructure and Transport of some \$63 million that, when that is completed and handed over to SA Water, appears as a dividend or contributes to the dividend in those later years.

**Mr COWDREY:** So, of that increase of approximately \$80 million, \$63 million is attributed to the infrastructure project that you have outlined. The other roughly \$20 million is to do with a projected increase in water sales?

**The Hon. S.E. CLOSE:** The estimates come from an increase in water sales because of both selling more water to individuals and more customers coming online. The amount of construction occurring that is going to be using water will also contribute. There are a variety of ways in which that number has been estimated and a variety of factors going towards that. But, as I explained, that third-party works explain a big bump up.

**Mr COWDREY:** I will come back to that. If I can briefly shift quickly across to Budget Paper 3 and the Budget Statement still, table 5.2 on page 70. In regard to energy costs, how has the recent energy market crisis impacted SA Water?

**The Hon. S.E. CLOSE:** Rather than taking it in one ear and then saying it, given that this has obviously been stringently managed by SA Water—because you are absolutely right, shadow treasurer: SA Water is a huge user of energy and therefore a potential exposure to escalating costs

in difficult times—I would invite the chief executive to explain some of the ways he has been approaching managing that.

**Mr RYAN:** Thanks very much for the question. This is certainly something that has been a topic of hot discussion at both board level and executive level and right throughout our whole organisation. SA Water is one of the largest single consumers of electricity in the state. Certainly, the uncertainty that has been around the energy market has occupied a lot of thought in our minds.

What we have is quite a sophisticated way in terms of how we manage energy. We are a player on the spot market, and so we are able to look to actually maximise when we pump, when we move water around the state. We are also seeing now the real benefits of Zero Cost Energy Future project. This is a project where we put over 350,000 solar panels across the state. That is the bit that most people associate with the Zero Cost Energy Future project, but it is also around how we optimise our energy usage, and it is also through the use of batteries.

What we have been able to see when we have those higher prices is that we have been able to turn off things like pumps, movement of water, etc. When we have the lower prices, we then also, through the use of batteries, have been able to maximise our pumping rates and so forth. Because we are a producer of energy now, we are also able to sell that energy back into the spot market.

While it is incredibly volatile and it has occupied a lot of time, energy and effort, I think the work that has gone on in the organisation over probably the last 10 years around how we manage energy has really set us up for these really tough times. I also want to say that we are no different from any other organisation. It is a challenging time at the minute, particularly when we are thinking about our customers, and ultimately it is the cost-of-living impact for them.

**Mr COWDREY:** Does SA Water have any capacity to pass on—I will not use the word; their comparative position is obviously better than the everyday household's—some of their low-cost energy profile with other South Australian households or businesses?

**The Hon. S.E. CLOSE:** It is unregulated, according to ESCOSA, so that households are not bearing the risks.

**Mr COWDREY:** No, sorry, the benefits of their cost structure being—

**The Hon. S.E. CLOSE:** But the benefits do lead to greater efficiency within the corporation and therefore benefit customers.

**Mr COWDREY:** I will shift to Budget Paper 3, page 114, in regard to the Eyre Peninsula desal plant. Is the minister committed to the Eyre Peninsula desalination plant project?

**The Hon. S.E. CLOSE:** This is an interesting project to have inherited. I had contact from people who were concerned about the preferred location identified by SA Water. I think the process of having a site selection committee has been appropriate. In fact, the former member for Flinders is chairing it or on it, and I think we all share our respect for him as a good leader in his community. The sticking point is of course the social licence required for us to undertake activity.

My hope is that through that site selection process we will gain a shared view. We have certainly gained a lot of engagement from the community, which is a good start, so my hope is that we will be able to land a location that works.

**Mr COWDREY:** Has the minister met with the chair of the site selection committee?

**The Hon. S.E. CLOSE:** Not yet, no.

**Mr COWDREY:** Will the minister seek a briefing from the chair of the site selection committee in regard to identifying a suitable location?

**The Hon. S.E. CLOSE:** I certainly will. I understand that such a briefing is in fact being organised, but I just have not got to it quite yet.

**Mr COWDREY:** Is the minister committed to any decision made by the site selection committee with regard to a site?

**The Hon. S.E. CLOSE:** The shadow treasurer will be well aware of the complexity of the different factors that will go into making the final decision and, of course, dealing with a corporation, the role of the board in making that decision also. What I commit to is meeting with the chair, receiving an interim briefing and seeing where we land with the process, and then we will take it from there.

**Mr COWDREY:** What is the status of the additional groundwater monitoring units that were secured under the previous government as part of improving the scientific understanding of the resources on Eyre Peninsula?

**The Hon. S.E. CLOSE:** They are operating and they are providing useful data. I advise that the data that we are getting is improving each year. This year is better than last and we expect better again, so they are contributing significantly.

**Mr COWDREY:** I refer to Budget Paper 5, Budget Measures Statement, page 114, the CWMS. Will all current Tea Tree Gully CWMS customers be SA Water customers from 1 July 2022?

**The Hon. S.E. CLOSE:** I think you might have asked a question someone else would like to ask too. Yes, and I would like to elaborate a little on this. This project will be a complex one, but it is one that was a shared vision across both sides of parliament, the overall conversion of this aging system into a modern approach that one would expect to have in metropolitan Adelaide.

A distinction, though, was that this need to get people off having to pay such a high annual levy while they wait for their house to come up in the queue. That was a distinction at the election and I think it probably helped focus the minds of the people who live in the houses that are affected.

There has been a huge amount of advocacy from the now member for Newland. I think probably the advocacy was attempted by the previous member but fell on slightly deaf ears. The current member has been very successful in advocating for the people she represents to be treated fairly and we are very close to landing the requirement necessary to facilitate that. That is our election commitment and therefore we are delivering it.

**Mr COWDREY:** What about Tea Tree Gully CWMS customers after that date? Will the council be taking new customers, or will they be referred directly to SA Water?

**The Hon. S.E. CLOSE:** They will become SA Water customers, as you would expect, to be consistent with our election commitment. It would be seeking a loophole to do otherwise.

**Mr COWDREY:** Billing for all former Tea Tree Gully CWMS customers will be received from SA Water from 1 July?

**The Hon. S.E. CLOSE:** I thought that was your first question.

**Mr COWDREY:** Would they be customers?

**The Hon. S.E. CLOSE:** Yes.

**Mr COWDREY:** What is the total cost to SA Water's customers above the previous cost path under the previous Liberal government for switching all Tea Tree Gully CWMS customers to SA Water customers from 1 July 2022?

**The Hon. S.E. CLOSE:** You will note, shadow treasurer, that in the budget there is \$3.3 million over two years for precisely this change to the billing system.

**Mr COWDREY:** You are confident that \$3.3 million will be sufficient to meet the changes in policy?

**The Hon. S.E. CLOSE:** That is the gap between the maintenance of the operations at present, which is a known quantity, and what people will be paying and the saving of \$300 to \$400 per household in their rates through paying as SA Water customers, rather than paying the council the elevated amount to look after this aging system. That is the estimated amount. That is what has been put into the budget in order to deliver our election commitment.

**Mr COWDREY:** How many customers will be transferred as of 1 July?

**The Hon. S.E. CLOSE:** We do not have the precise number, but it is somewhere north of 4,700 households.

**Mr COWDREY:** Has there been any cost attributed by SA Water in terms of needing to change billing software infrastructure to deliver bills as of 1 July?

**The Hon. S.E. CLOSE:** I am advised that there is no separate and additional cost, given that what SA Water is doing is adding customers, as they do all the time, to a system that already exists.

**Mr COWDREY:** Will SA Water own the council's CWMS assets from this day?

**The Hon. S.E. CLOSE:** We are in the final stages of discussions, so I would rather not entertain detailed discussions at this point.

**Mr COWDREY:** Who will be undertaking the ongoing maintenance and operation of the council's CWMS service until SA Water puts its own assets in and physically connects customers?

**The Hon. S.E. CLOSE:** Again, we will be in a position to be very fulsome about this shortly, and I would rather hold, to be public then.

**Mr COWDREY:** Have these costs been included in the budget?

**The Hon. S.E. CLOSE:** We are confident that the budget covers delivery of our election commitment.

**Mr COWDREY:** Does SA Water have the knowledge, procedures and legal arrangements in place to undertake these activities from 1 July 2022?

**The Hon. S.E. CLOSE:** SA Water is a highly competent organisation/corporation that knows how to do billing, it knows how to deal with sewerage, it knows how to contract for works where required. I have every confidence it has more than sufficient capability and competence to undertake this quite complex project. It would, apart from the change to the billing from 1 July, have had to do it regardless of who had won the election. It is already well into its trial phase, working with existing houses and transferring them over in order to test out any of the challenges. It will not be easy, but it is well set up to do this well.

**Mr COWDREY:** When do you imagine releasing detail regarding who will be undertaking the ongoing management and operation of the assets and who will have ownership of the assets as of 1 July?

**The Hon. S.E. CLOSE:** Very, very soon.

**Mr COWDREY:** Again, you are confident that \$3.3 million will be enough to cover these costs?

**The Hon. S.E. CLOSE:** That is what we have budgeted for. That is what we have estimated, asked for and received in the budget. That is our commitment. Should there be any change required, government is more than capable of changing resource allocations as required. It is not something that becomes set in stone, but I have every reason to be confident on the advice presented to me.

**Mr COWDREY:** Minister, under the arrangements to commence from 1 July 2022, will SA Water be providing a retail service, as defined in the Water Industry Act 2012?

**The Hon. S.E. CLOSE:** It will be exactly the same as all the other customers in terms of how they sit under the act.

**Mr COWDREY:** But they are not providing the same service, minister.

**The Hon. S.E. CLOSE:** It is about the method of delivery. They are still receiving a service.

**Mr COWDREY:** So SA Water will be providing bills based on providing a retail service under the Water Industry Act to customers as of 1 July?

**The Hon. S.E. CLOSE:** As I have said, we will be making an announcement about the final results of the negotiations very shortly, but you can be assured that we will not be breaching the act.

**Mr COWDREY:** How will SA Water calculate the bills of these new customers, and does this differ from how the council is currently calculating bills?

**The Hon. S.E. CLOSE:** It does differ because it is a very different quantum, but I will take the detail of that on notice.

**Mr COWDREY:** Can the minister confirm if the physical transfer of customers to SA Water is the same as was outlined in the Labor Party election commitment Sustainable Sewers Program?

**The Hon. S.E. CLOSE:** I am going to take that level of detail on notice. It will not take long for us to get back to you.

**Mr COWDREY:** Could a situation arise where someone could pay more by switching over to SA Water from 1 July 2022?

**The Hon. S.E. CLOSE:** My understanding is that there are no residents who are in that situation. Nonetheless, we have invoked a grandfathering clause to ensure that, should there be any businesses in that circumstance, they are not required to pay more than they would otherwise.

**Mr COWDREY:** Can I confirm for the previous answer you took on notice that I mistakenly referred to it as a Labor election commitment. I was referring to the Sustainable Sewers Program document that SA Water already had in place.

**The Hon. S.E. CLOSE:** I see, thank you.

**Mr COWDREY:** Are there any other asset writedown costs or any other accounting implications that would fall to SA Water as a result of Labor's election commitment to transfer all customers by 1 July 2022?

**The Hon. S.E. CLOSE:** Again, we will take that on notice as we finalise the arrangements.

**Mr COWDREY:** Subsequent to the outcome of that question, perhaps you can also take on notice whether there will be any impact on customer bills as a result of those.

**The Hon. S.E. CLOSE:** I will take it on notice, but I do not anticipate it.

**Mr COWDREY:** Are there any legal risks that might have been identified with rapidly transferring Tea Tree Gully CWMS customers over to SA Water customers by 1 July 2022?

**The CHAIR:** That question does have some commentary or argument in it. Can you rephrase it, please.

**Mr COWDREY:** Have there been any legal risks associated with transferring Tea Tree Gully CWMS customers over to SA Water customers by 1 July 2022?

**The CHAIR:** I think the word 'rapidly' was in there, so can you rephrase the question. I am happy to have that question, but my understanding is that you had the word 'rapidly' in the question.

**Mr COWDREY:** I rephrased it and did not include the word, nor was there any inference from it.

**The Hon. S.E. CLOSE:** SA Water, as a prudent manager of its services and assets, would have taken any legal advice required and mitigated or addressed all risks. I am not aware of any, but I have confidence that that will have been undertaken.

**Mr COWDREY:** You spoke earlier about the poor performance of Tea Tree Gully CWMS infrastructure. Will the technical performance of SA Water, in regard to their performance rating, be affected by taking on these assets as of 1 July 2022?

**The Hon. S.E. CLOSE:** My understanding is no. Of course, what we will see is a rapid increase in performance as we transfer people over from the aging infrastructure to the modern sewerage system.

**Mr COWDREY:** Will the minister be seeking a financial contribution from the Tea Tree Gully council, or will they be able to walk away and wash their hands of the matter, with no financial burden?

**The Hon. S.E. CLOSE:** I will take that on notice in order to make sure that I am not treading across any agreements that are being discussed.

**Mr COWDREY:** Given it is now 23 June 2022, how many customers have to date been transferred to SA Water's system?

**The Hon. S.E. CLOSE:** I am advised that as of a week or two ago it was 108 customers.

**Mr COWDREY:** So 108—as a percentage of the total number?

**The Hon. S.E. CLOSE:** I do not do maths in front of people. Having heard one of my colleagues do it on the radio once, I have learnt never to do that.

**Mr COWDREY:** Would you like to take it on notice?

**The Hon. S.E. CLOSE:** I will consult my calculator and get back to you.

**Mr COWDREY:** Do those customers you outlined reflect simply those that took part in the pilot project?

**The Hon. S.E. CLOSE:** It is beyond the pilot project now. Under the previous government, we started with a pilot project and now it is moving beyond.

**Mr COWDREY:** To date, how many additional customers beyond the pilot project have been shifted over?

**The Hon. S.E. CLOSE:** I am not sure that we have that here, so I will take that on notice.

**Mr COWDREY:** Perhaps I will ask it another way: how many customers were part of the pilot project? You have that detail, I would imagine.

**The Hon. S.E. CLOSE:** I correct myself. We do in fact have it here: 60 customers were part of the two pilot sites.

**Mr COWDREY:** So you have shifted over, to date, 49 customers?

**The Hon. S.E. CLOSE:** On top of.

**Mr COWDREY:** And there is a total number that need to be transferred of?

**The Hon. S.E. CLOSE:** It is 48 rather than 49.

**Mr COWDREY:** Yes, but the total number of transfers is?

**The Hon. S.E. CLOSE:** It is 108.

**Mr COWDREY:** No—to be transferred.

**The Hon. S.E. CLOSE:** It is more than 4,700, but we have not identified the total number.

**Mr COWDREY:** So there remain just under 4,600 customers to be transferred in seven days?

**The Hon. S.E. CLOSE:** Sorry, did you say a time period just then?

**Mr COWDREY:** Yes, it is 23 June.

**The Hon. S.E. CLOSE:** We are talking about physically having put the new system on. Sorry, we may have been answering a question that you did not ask. So 108 households now have sewerage and used to have CWMS.

**Mr COWDREY:** Correct. I am asking how many customers have been transferred from a billing perspective.

**The Hon. S.E. CLOSE:** They will all be done from 1 July. Sorry, we were in the engineering works rather than the billing. The billing will all occur in one move.

**The CHAIR:** The minister answered it earlier, from memory.

**Mr COWDREY:** Will the full terms and conditions of the handover from the Tea Tree Gully council to SA Water be made publicly available?

**The Hon. S.E. CLOSE:** It is not common for full contracts to be released. I personally have nothing to hide, so we will be releasing whatever is advisable.

**Mr COWDREY:** Do you think the arrangements to transfer all customers by 1 July 2022 are a good deal for all SA Water customers?

**The Hon. S.E. CLOSE:** I think it is a necessary part of delivering this project and this election commitment that saw the Labor Party form government.

**Mr COWDREY:** Will SA Water have any input into Peter Malinauskas's review into SA Water taking over other local government CWMS programs? With leave, I would like to insert some facts, sir.

**The CHAIR:** Can you please reference the question?

**Mr COWDREY:** We are still on the CWMS.

**The CHAIR:** On page?

**Mr COWDREY:** The same page reference we have been working on.

**The CHAIR:** I will be polite and I will ask you which page.

**Mr COWDREY:** It is 114, sir.

**The CHAIR:** Under?

**Mr COWDREY:** CWMS. I have just sought leave.

**The CHAIR:** I am just trying to find it.

**Mr COWDREY:** The questions have been on this budget line for the past—

**The CHAIR:** The questions on this budget line have been to the extent of the particular system in question. The questions are now running further beyond that, so I would just like to hear what the reference point is for that.

**Mr COWDREY:** It is regarding CWMS systems, sir. Would you like me to insert the facts and then perhaps you can make a ruling if you deem it not to be relevant?

**The CHAIR:** What was your last question, again, please?

**Mr COWDREY:** Do you think the arrangements to transfer all customers by 1 July 2022 is a good deal for SA Water customers?

**The CHAIR:** No, sorry, the one after that one. We dealt with that one, I thought.

**Mr COWDREY:** Yes.

**The CHAIR:** The one after that.

**Mr COWDREY:** Will SA Water have any input into an SA Water review into taking over local government CWMS systems?

**The CHAIR:** Minister?

**The Hon. S.E. CLOSE:** You are allowing the question? Certainly, Chair.

**Mr COWDREY:** Can I insert the facts first; is that okay? I have sought leave.

**The CHAIR:** That is fine. Go ahead.

**Mr COWDREY:** Perhaps the minister might need some context to provide the answer. On 3 June 2020 in parliament, the now Premier stated in addressing the house on the Tea Tree Gully CWMS:

A Malinauskas Labor government will instruct SA Water to go beyond the Tea Tree Gully CWMS and conduct a comprehensive review of all other community management waste water systems in metropolitan Adelaide.

**The Hon. S.E. CLOSE:** Yes, I recall that commitment being made at the time. We will work through how that will be undertaken. Our immediate focus, of course, has been to deliver the billing from 1 July and make sure that the physical works are continuing and that the budget line is up with

what is required. That will be undertaken in due course, and we will be making the details of that public.

**Mr COWDREY:** Will the review be funded within SA Water?

**The Hon. S.E. CLOSE:** As I say, all of those details will be announced in due course.

**Mr COWDREY:** Will the review be conducted by SA Water or externally?

**The Hon. S.E. CLOSE:** I have nothing to elaborate on my previous answer. Detail will be forthcoming in due course.

**Mr COWDREY:** What if councils do not want to lose their assets?

**The CHAIR:** What was the question?

**Mr COWDREY:** In the event that councils would not want to sell their assets, would the review take that into consideration?

**The Hon. S.E. CLOSE:** Without prejudging the review that I have said we do not have details on as yet, I imagine that would be a reasonable question that would be comprehended by any such review.

**Mr COWDREY:** I refer to Budget Paper 3, page 71, Budget Statement. Can the minister confirm whether Labor will be making changes to the regulatory asset base via a pricing order as part of the SA Water 2024-28 regulatory period?

**The Hon. S.E. CLOSE:** As I am reminded, it is essentially a Treasury decision, but I have no such intention, nor has the government any plans that I am aware of. It is a very hypothetical question I think—not to say that it is out of order, but it is not within the realms of what is being contemplated.

**Mr COWDREY:** Can the minister confirm when the government will be finalising its policy position with regard to the SA Water 2024-28 rate period?

**The Hon. S.E. CLOSE:** The ESCOSA contribution will be made by SA Water around the middle of next year, so there will be an amount of diligent work undertaken leading up to that with government.

**Mr COWDREY:** Just shifting back to the \$3.3 million that had been allocated for the CWMS over this financial year, and just to clear something up, there is no additional billing cost to SA Water to provide bills to those 4,700 customers?

**The Hon. S.E. CLOSE:** I am advised that it is regarded as being routine additional customers, which happens all the time. It is not a matter of weight for SA Water because, from a water perspective, they are already customers. They already exist on the system.

**Mr COWDREY:** What does that additional \$3.3 million reflect?

**The Hon. S.E. CLOSE:** Given the time in particular, we will take that on notice to give a breakdown in due course.

**The CHAIR:** You have 30 seconds.

**Mr COWDREY:** Thank you, sir; that is very generous of you. I refer you to Budget Paper 3, page 69, competitive neutrality policy. Will the minister commit to reviewing SA Water's pricing structures, which will be identified as part of the review of the Water Industry Act in 2021?

**The Hon. S.E. CLOSE:** I am advised it is probably a policy piece of advice that would be more likely to come from the Department for Environment and Water, but I will nonetheless considerate it and, if appropriate, provide an answer.

**The CHAIR:** The allotted time having expired, this concludes the examination of SA Water, and I declare the examination of the proposed payments for the Department for Energy and Mining and Administered Items for the Department of Treasury and Finance complete.



**Departmental Advisers:**

Mr T. Circelli, Chief Executive, Environment Protection Authority.

Mr R. Jacka, Chief Financial Officer, Environment Protection Authority.

Ms K. Bellette, Director, Policy, Assessment and Finance, Environment Protection Authority.

Mr K. Baldry, Director, Science and Systems, Environment Protection Authority.

Mr A. Cartland, Director, People, Strategy and Performance, Environment Protection Authority.

**The CHAIR:** I now open the consideration of the portfolio for the Environment Protection Authority. The minister appearing is the Minister for Climate, Environment and Water. I remind members that the proposed payments for the Department for Environment and Water remain open. I call on the minister to make a statement, if she wishes, and introduce her advisers. Equally, I call on the lead speaker to make an opening statement, if he wishes, or, alternatively, ask questions.

**The Hon. S.E. CLOSE:** Again, I have no opening statement other than to thank the public servants for the work they are doing to prepare for estimates and also all through the year. I will introduce my advisers. I have on my left Tony Circelli, the Chief Executive of the EPA. On my right is Richard Jacka, who is the Chief Financial Officer for the EPA, and Kathryn Bellette, who is the Director of Policy, Assessment and Finance. Behind me is Keith Baldry, the Director of Science and Systems, and Adam Cartland is the Director of People, Strategy and Performance.

**The Hon. D.J. SPEIRS:** I will go straight to questioning. I begin questioning with Budget Paper 4, Volume 2, page 173. My question to the minister is: did she seek or receive advice from the department, being the EPA, about whether or not the City of Holdfast Bay will be complying with the Environment Protection (Waste to Resources) Policy 2010, specifically with regard to the now opt-out nature of the recently announced FOGO program in Holdfast Bay?

**The Hon. S.E. CLOSE:** As the leader would be aware, we do not reveal the contents of legal advice received in government. All the advice I have received is that there is a degree of confidence that, by offering the weekly service still for people to choose to take up, that is compliant. Should there be any more detail I can provide, I am happy to do so at a later date through effectively taking it on notice, if required.

**The Hon. D.J. SPEIRS:** I was not meaning legal advice, as in Crown advice. I was just meaning policy advice from the Environment Protection Authority.

**The Hon. S.E. CLOSE:** I am not sure that I have received a written briefing in these 2½ months, but I have had verbal briefings with the EPA to be assured that they are supportive of the approach that has been taken, and they are.

**The Hon. D.J. SPEIRS:** I have a follow-up question to clarify my understanding, which may not be 100 per cent accurate. I was under the impression that the EPA had to give a form of approval or a waiver for a council to move to a fortnightly opt-out bin collection.

**The Hon. S.E. CLOSE:** Obviously, the City of Holdfast Bay has gone out ahead in not only doing the trial but now making a decision to roll out. The EPA's view, and advice to me to date, has been that they are comfortable that an exemption is not required because the act is not being breached by virtue of the weekly offering. However, because this is new and the idea of rolling it out is new, the EPA will make sure that its advice is clarified if necessary and, should any alternative arrangements be required over time, that it gives me advice on that.

**The Hon. D.J. SPEIRS:** To make that 100 per cent clear, the City of Holdfast Bay does not have a waiver for their approach or process moving forward?

**The Hon. S.E. CLOSE:** That is right: they do not have a waiver. They did not require one for the trial, which started under the previous government, and they do not have one now. That is working on the assumption that, because they are offering a weekly service, that is not required.

**The Hon. D.J. SPEIRS:** Is that the understanding of the EPA's interpretation of the legislation or just the City of Holdfast Bay's going it alone approach?

**The Hon. S.E. CLOSE:** As I said, we are exploring new territory with this approach. The EPA at this stage is advising me that it remains confident that they are complying and therefore do not require a waiver because they are offering the service of a weekly pickup. However, that said, this is evolving in front of us and they are maintaining a close watch on how that is working and what the legal requirements are. If there is a requirement to give different advice, they absolutely will, but not at this stage.

**The Hon. D.J. SPEIRS:** With your indulgence, Chair, I should put on the record that, while I am asking questions about this, I am very supportive of the policy intent and the expansion of that intent, but I want to seek clarity on the legality. Moving on to Budget Paper 4, Volume 2, page 173, target 2, does the minister continue to support a need for legislative changes regarding the disposal of PFAS contaminated material in South Australia, as advanced by the member for Mawson, when in opposition?

**The Hon. S.E. CLOSE:** This is an ongoing discussion I have been having with the EPA since coming into this position. I think the unfolding of the application for a PFAS storage or dump site close to a premium winegrowing area was very unfortunate and had a withdrawal of social licence or the lack of issuing of a social licence that one might anticipate. There remains an ongoing question about how one manages such a difficult and yet quite common substance.

The discussions we are having will reach a conclusion and may or may not result in legislative reform being proposed. But what the EPA is already doing is being more proactive in identifying where it might be appropriate to store or contain PFAS. I had a discussion with the chair the other day also about how one can be more proactive in dealing with these very complex and quite frightening for local community issues in a way that gets ahead of just waiting for an application to come in. We are actively working on that now and we will be able to be public in due course about different approaches that we might take.

**The Hon. D.J. SPEIRS:** Is the bill that the member for Mawson was advocating up until fairly recently and could in fact still be (I am not aware one way or the other) government policy?

**The Hon. S.E. CLOSE:** It is not formally government policy, in the sense that it was not included in our election commitments and it has not been moved in government time. However, it remains a feature of our very serious concerns about the way in which PFAS was being managed and is a significant contributor to the discussions that I am currently having with the EPA.

**The Hon. D.J. SPEIRS:** The member for Mawson's bill excluded the disposal of PFAS in very large parts of the state, in fact almost all accessible terrain within our state. Does the minister believe there is a need for a safe PFAS disposal site within South Australia, and does she have a view on where that could be?

**The Hon. S.E. CLOSE:** My answer is not necessarily. We do not have to dispose of everything in one state, so there is no necessity to have one in South Australia, but nor would I say it is impossible for us to have one in South Australia. It was not impossible under the construction from the member for Mawson in his excellent advocacy not only for his area but for all areas that might be affected by contamination.

For further detail, the move from opposition into government, which the leader has also experienced, enables one to have much more detailed discussions with experts on the nuances of different ways in which issues can be managed. We are continuing to do that, and I have nothing more to say on that matter at this stage.

**The Hon. D.J. SPEIRS:** Does the minister believe that disposal of PFAS at sites including Inkerman and Dublin to the north of metropolitan Adelaide would be inappropriate?

**The Hon. S.E. CLOSE:** It is not for me to say whether they are inappropriate or not. Technical information is being sought by the EPA on those matters and, as the minister, I do not wish to make comment.

**The Hon. D.J. SPEIRS:** Is the minister contemplating sending PFAS contaminated waste interstate for treatment and disposal?

**The Hon. S.E. CLOSE:** I have nothing further to add to the answer preceding the one I just gave.

**The Hon. D.J. SPEIRS:** Will the minister commit to maintaining South Australia's nationally consistent approach to managing the disposal of PFAS contaminated material in line with the National Environmental Management Plan?

**The Hon. S.E. CLOSE:** The national approach is always expected to interact with local planning restrictions and other policies at state level. That would be occurring in every state; therefore, to try to answer it in a binary yes and no would not be appropriate. It remains an important part of our approach, but it is not the exclusive, as it is not, I imagine, in any state.

**The Hon. D.J. SPEIRS:** Will the minister rule out further legislative changes regarding the disposal of PFAS contaminated material in South Australia, or is legislative change something she is actively exploring?

**The Hon. S.E. CLOSE:** I think I answered in my previous answer some three questions ago now that there may be some legislative change that is required. There may not be. These are discussions that are occurring at present.

**The Hon. D.J. SPEIRS:** If the minister explores legislative change, will she do so in a way that maintains national consistency, including consistency with the National Environmental Management Plan, notwithstanding her previous answer that state-specific circumstances can work in parallel with that plan.

**The Hon. S.E. CLOSE:** I think the question contains repetition of my answer previously and is sufficient.

**The CHAIR:** She asked and also answered.

**The Hon. D.J. SPEIRS:** Well, there are different definitions of what an answer is, Chair, but I will move on anyway. My next question is from Budget Paper 4, Volume 2, page 173 and highlight 2. Will the EPA be changing any aspects of its regulatory frameworks or licensing assessment considerations as a direct result of the government formally declaring a climate emergency in state parliament in early June 2022?

**The Hon. S.E. CLOSE:** The current position is captured by a climate change statement as released by the board and the work that was proceeding previously. However, given the renewed focus on climate change with this government, and with the agreement of both houses of parliament that we are indeed in a climate emergency, there is active work going on about ways in which EPAs around the country are able to engage with climate change. We will be working on different approaches that might be undertaken in South Australia as a result.

**The Hon. D.J. SPEIRS:** I missed a question under the previous item, so I might flick back to Budget Paper 4, Volume 2, page 173, target 2 around PFAS. Has the minister met or had any discussions with the Waste Management and Resource Recovery Association of Australia, the national body advocating for the waste management sector, regarding PFAS disposal?

**The Hon. S.E. CLOSE:** I did have a meeting with the chief executive of the national body alongside a representative of the state body, who is also the treasurer of the national body. I will correct that if I have misremembered his title. PFAS, to my recollection, was not discussed in that meeting. I will correct the record if I can familiarise myself with my notes. I would hate to mislead unintentionally, but I do not recall it being raised.

**The Hon. D.J. SPEIRS:** I refer to Budget Paper 4, Volume 2, page 173, highlight 3. Can the minister provide an update (it sounds a bit like a Dorothy Dixier) on the review into South Australia's container deposit scheme?

**The Hon. S.E. CLOSE:** This is one of the areas, I think, where the leader and I have very consistent views. The review of the way in which we manage container deposits has been, I think, a really important project in light of the other states finally choosing to catch up with South Australia.

**The Hon. D.J. SPEIRS:** It has been 45 years.

**The Hon. S.E. CLOSE:** Yes, 45 years. I recall going to a ministerial council many years ago when I was a ministerial adviser and we were about to, I thought, get rid of plastic bags at check-outs across the country and one by one all the other states backed out. They had a view that South Australia should go it alone because we were special and different, I guess. At that time maybe they were right, but they are finally starting to get on board.

The two elements of that review are the governance approach, in the way that we structure managing the container deposit scheme in South Australia, and the other side is the scope of what is covered by a container deposit. With the governance approach, I think we are very close to forming a view about a revised way to manage in South Australia, and we will be going public, I think, relatively soon on that.

Obviously there is confirming stakeholder engagement post review and a process of making those decisions, but we are getting very close to that, which I think will be very pleasing to the leader. On the other hand, on the question of scope, I am eagerly awaiting a ministerial council, as we all are on all our ministerial councils I imagine, following the federal government to have those meetings at last to be able to engage across.

I have had a conversation with the New South Wales environment minister already that was largely but not exclusively about container deposit schemes, and I am intending to catch up with the others by phone before we finally have a ministerial council meeting. There is progress, but we have not yet landed on either, but we will be much more further advanced on the question of governance arrangements. That should be finalised relatively shortly.

**The Hon. D.J. SPEIRS:** This is again about the container deposit scheme, and by no means is it a trick question. I am not trying to catch the minister out here. Does the minister support including wine and spirit bottles in the container deposit scheme at some point in the future?

**The Hon. S.E. CLOSE:** That is an interesting question and one that I have canvassed quite a bit with advocates on both sides. Absolutely I think everyone, once looking at the figures, ought to support having as much glass as possible—and wine and spirits are a significant contributor to the glass—being sorted and addressed through a depot system and recycled to the highest value. Something like 97 per cent of the glass that goes through that way is recycled into being used again as glass, as compared with around 11 per cent of the glass that goes into commingled bins being able to be used for its highest purpose.

When you see those figures, you realise that it is really important that we get glass out of commingled bins, certainly out of landfill. Even out of the commingled bins and into discrete sorting via depots is probably the most appropriate but not the only way to do it. The question is: what is the trigger that gets people to do that action? One simple way is, of course, to put a container deposit on it, to provide a financial incentive, but it is not the only way.

My concern is that we make sure, now that we finally have a national system, that we preserve a national system that is functional for businesses. That is why I regard scope as firmly belonging to the national discussion. Would I like to see wine, spirits and in fact all glass recycled properly? Yes, I am open to the discussion about how that best happens, and I am very mindful of the need to pay attention to a national scheme.

**The Hon. D.J. SPEIRS:** Would the minister consider a fourth kerbside collection bin to deal with glass?

**The Hon. S.E. CLOSE:** I am aware that Victoria are undertaking a trial on that, and I will be interested to see what they come up with. It does seem like probably the most expensive way of sorting and, because of the nature of bins, does increase the chance of breakage and therefore of not being able to have as great a sorting into the kinds of glass that mean that you get the greatest recovery value.

On the other hand, it does deal with the question of how you get it out of the commingled at the household without a container deposit. I understand why the Victorians are doing it, and I would be very interested to hear from Lily D'Ambrosio how that is working out. It is not currently on my policy radar, other than being interested in what is happening elsewhere.

**The Hon. D.J. SPEIRS:** While national harmonisation is very important, as you have referenced yourself, Deputy Premier, South Australia has had to go it alone most times in the past, not just occasionally, on matters of waste management and resource recovery.

In the event that national agreement on including wine and spirit bottles in container deposit schemes across the nation may not be forthcoming, will the minister consider South Australia continuing to demonstrate leadership by becoming the first state to include wine and glass bottles in our CDS, notwithstanding that does not need to happen overnight, and there could be a cautious pathway in partnership with the industry? Again, I am not trying to catch the minister out here; I just want to explore the matter.

**The Hon. S.E. CLOSE:** I think both the leader and I understand the complexities in this and, of course, consideration of it is a given. We are a leader, and it is a very straightforward way to get the glass where it should go. Countervailing questions are about the state of the wine industry right now. They are very sensitive to the challenges they have experienced with fires and smoke taint some time ago, the challenges with China and now with the duty that is being imposed by the UK, despite a free trade agreement that appeared to hold some hope for our wine exporters.

Of course, with the current conditions of the cost of shipping around the world—which appear to be settling at a post-pandemic doubling, roughly, I think I heard—I am very mindful of the economic impact on our wine sector, which is such an important part of our economy, and therefore I do not want to send any signals here. I am sure that the leader would not want to send signals either that would imperil the wine industry and add further stress to them. Considerations are being made very carefully, mindful of the desirability of national consistency for industry's sake and mindful of recognising, as the leader said, the need for a cautious pathway should any change be undertaken.

We all know that people have an expectation and a desire to see greater circularity of all products, and glass is one that lends itself very readily to that. Those are a lot of words that take us to nothing definitive, other than a recognition of the complexity of the problem or the challenge and my very great caution in putting further stress on a very important part of our economy. So let's allow this to unfold and see where the other states are and let's work through what other options there are and see where we land.

I am not going to easily relinquish South Australia's lead in these matters, but nor am I going to be precipitous in a way that might put an important sector at risk and put pressure on family businesses—not overwhelmingly, but significantly family businesses—at a time when they are already under significant pressure.

**The Hon. D.J. SPEIRS:** It would be fair to say that the minister and I have the same end goal in mind and a very similar desire to see that cautious pathway unfold over the coming years. Notwithstanding the 10¢ going on various items that they are not on at the moment, there is still—as you highlighted in the first question—the need to modernise the scheme from a governance point of view and an accessibility point of view. What is the minister's time line around possible legislative improvements to policies and procedures to modernise the system, which is in some ways a victim of its success as a very early innovation here in South Australia?

**The Hon. S.E. CLOSE:** This is such a peaceful and lovely estimates period; perhaps it could last all day.

**The Hon. D.J. SPEIRS:** I am finishing up after this one so that will be up to others.

**The Hon. S.E. CLOSE:** That is true. Of course, the leader understands very well that having been the first we are now the oldest and therefore the most out of date in some ways, and that poses its own challenges. I do not want to foreshadow or presuppose the decision that will be made by cabinet on where we land; however, there will be a proposal that will be contemplated very soon. Should there be legislative change arising, I would expect that to come in after the winter break.

**The Hon. D.J. SPEIRS:** Moving on to Budget Paper 4, Volume 2, page 170, which covers the enforcement of the Environment Protection Act, what on-ground practical actions have been carried out to resolve the challenging and at times emotive mangrove die-off at the Buckland Park-Dry Creek site since March 2022, so since you became the minister?

**The Hon. S.E. CLOSE:** Of course, this is an issue that sits across a number of agencies, as the leader would be well aware. The lead agency is the Department for Energy and Mining. I am not sure if any questions were raised in those estimates about their involvement. DEW, of course, has a huge interest in the environmental benefits of a healthy ecosystem, particularly its intersection with the International Bird Sanctuary and the Adelaide Dolphin Sanctuary. However, in addition to that, the EPA is a regulator and has been paying attention to not only an independent investigation and how this happened in the first place but what could be undertaken to avoid such a circumstance in the future.

My recent briefing was that there is vastly improved monitoring occurring now, which enables real-time assessment of what is occurring in the ponds. There is far better engagement occurring with the local community and also, I presume, with other agencies and the company in order to make sure that we are far more aware of what is occurring.

There are discussions ongoing at the moment between scientists about the appropriate way to manage the winter rains we experience and the likely impact. I am comforted by the far improved monitoring that is occurring, that we will at least know impacts very quickly and be able to have an agile response as required. They are the activities that have occurred in the time that I have been minister to date.

**The Hon. D.J. SPEIRS:** I note that in recent weeks representatives from the St Kilda Mangroves Alliance have called for winter season pumping of water at the Buckland Dry Creek site. Will the minister support this and insist that pumping is required over the winter season?

**The Hon. S.E. CLOSE:** I am aware of the view being put forward. Although I did do a couple of years of biology at university, by no means would I describe myself as a scientist. The case made sounded like it had a lot of logic behind it in terms of the impact of the rains and therefore the necessity to use them to pump. On the other hand, there are different views held by other scientists.

Yesterday, I believe that a forum was held for all the scientists in order to lay out their understandings. I am not sure of the conclusions. I imagine it is one of many. As I said, that may in fact be a cause of frustration for people who would like action to occur quickly. I respect and understand that, but I also recognise that improved monitoring gives us some comfort that we are able to respond to changing circumstances. Indeed that monitoring in itself will give us an indication of what thresholds might be met that would trigger such pumping. To the best of my knowledge, those respectful amongst scientists discussions have occurred and are ongoing.

**The Hon. D.J. SPEIRS:** I move on to Budget Paper 4, Volume 2, page 172. The fees, fines and penalties are higher in 2022-23 compared with the current financial year budget and actual. Can the minister explain why this is the case?

**The Hon. S.E. CLOSE:** Sorry, could you give the topic that you are talking about again? That was the bit that we missed.

**The Hon. D.J. SPEIRS:** Fees, fines and penalties—I think that is what its heading is. It is on page 172. While there is a fairly small trend up, I guess my question is: is this an ongoing trend of increase?

**The Hon. S.E. CLOSE:** It is the waste levy. There is a lot of briefing here to get to that answer, but I am informed and advised that it is the waste levy.

**The CHAIR:** Do you want to elaborate on the waste levy?

**The Hon. D.J. SPEIRS:** No. I have nothing to hide. I am quite proud of the waste levy. It has driven down usage, it has driven down waste to landfill, but that is not for me to talk about today.

**The CHAIR:** I am not so sure about that.

**The Hon. S.E. CLOSE:** Not during COVID, but I do not hold you personally responsible for that.

**The Hon. D.J. SPEIRS:** I refer to Budget Paper 4, Volume 2, page 172. The percentage of inquiries and incident reports actioned within three business days was 86 per cent in 2020 and

86 per cent again in 2021, so why is the target lower at 80 per cent, given the trend of 86 per cent performance? Will the minister commit to higher targets in the future?

**The Hon. S.E. CLOSE:** It is pleasing to see an overachievement in this because, I am advised, the target of 80 per cent is regarded as a strong performance standard to reach, and it has been exceeded. I am advised that there has been some investment in the IT system, which might see us do even better, at which point we would consider lifting the target. Having a target that is strong and is exceeded is not a bad thing.

**The Hon. D.J. SPEIRS:** I refer to Budget Paper 4, Volume 2, page 179. Regarding cash and cash equivalents on page 179, can the minister explain the reasoning behind the difference between the 2021-22 estimated result of \$48.4 million and the 2022-23 budget of \$85.6 million?

**The Hon. S.E. CLOSE:** The \$37.3 million increase in the 2022-23 budget for total assets compared with the 2021-22 estimated result is primarily due to lower cash deposits in 2021-22 from the payment of surplus cash to the Consolidated Account in 2021-22, which is a figure of \$36.6 million. The budget of \$85 million for 2022-23 does not yet calculate how much will be given to Treasury.

**The Hon. D.J. SPEIRS:** On Budget Measures Statement, part 2, page 47, what are the operational changes that will be made in order to meet operating efficiency measures, as outlined in the budget?

**The Hon. S.E. CLOSE:** At present, the EPA is working through ways in which to meet those reasonably modest savings targets. They will be looking for low impact opportunities and will prioritise safeguarding frontline operations in those areas that have statutory time frames that are required to be met. The chief executive is working through that at present.

**The Hon. D.J. SPEIRS:** I refer to Budget Paper 4, part 2, page 173, in relation to licensing. Can the minister provide an update on the licensing associated with the activities of Nyrstar?

**The Hon. S.E. CLOSE:** The new licence is being finalised at present, but a draft has been issued for feedback, which includes introducing a lead-in-air target making this licence a little tougher.

**The Hon. D.J. SPEIRS:** When is that licence expected to be completed for the update?

**The Hon. S.E. CLOSE:** Given that 1 July is bearing down upon us, I am assuming this will be finalised in the next week.

**The Hon. D.J. SPEIRS:** In relation to the activities of Nyrstar and broader operations in the Upper Spencer Gulf, it has been talked about in the past about establishing an EPA office in the Upper Spencer Gulf region. Is the minister contemplating having a regional office in that region?

**The Hon. S.E. CLOSE:** I have had preliminary discussion with the chief executive about a regional presence for the EPA, including in what was formerly known as the Iron Triangle. I am going up there in the next little while, and I will also be interested to hear what the local views are on that. However, there is no firm plan at this point on how that would be realised.

**The Hon. D.J. SPEIRS:** I refer to Budget Paper 4, Volume 2, page 153, dot point 5 under the highlights section. How many inbound complaints or notifications has the EPA received from the public about proposed matters associated with the ban on single-use plastic?

**The Hon. S.E. CLOSE:** We have no advice on that here, so we will take that on notice and provide it to you.

**The Hon. D.J. SPEIRS:** This is a related question. It is possibly easy to answer or could be taken on notice. What enforcement undertakings have occurred to date? Have there been any, or has it been primarily or solely educational activities?

*Members interjecting:*

**The CHAIR:** You guys were in government until now.

**The Hon. S.E. CLOSE:** I will bring back an answer with more detail on notice if there is more to be had, but the approach that the EPA has taken has been to work with any people who

appear not to be complying. The experience as relayed to me is that there has been an overwhelming compliance with the legislation.

**The Hon. D.J. SPEIRS:** I have a further question in relation to single-use plastics. As more items inevitably and positively come onto the list of prohibitive single-use plastics in South Australia, does the EPA have enough resources to continue the compliance measures that have been required to date should that continue into the future?

**The Hon. S.E. CLOSE:** It sounds like the leader is helping to prepare our budget bid for future budgets. We have not yet expanded the list. That is a subject, I think, primarily for the Green Industries estimates, and the consequences of that will be addressed in the normal course of events.

**The Hon. D.J. SPEIRS:** I refer to Budget Paper 4, Volume 2, page 175. Can the minister give an update on the work being done to implement the recently revised, recently updated, Radiation Protection and Control Act 2021?

**The Hon. S.E. CLOSE:** I am just checking. We are running out of time for me to give the answer. We are undertaking consultation at present, which will be finalised by September this year for the regulations to come into force in February next year.

**The CHAIR:** You can have one more question, if you like.

**The Hon. D.J. SPEIRS:** I was going to expand on that, but that is fine.

**The CHAIR:** The allotted time having expired, I declare the examination of the Environment Protection Authority complete. I thank the minister and her advisers and thank members of the committee for what was a very civil discussion.

*Sitting suspended from 13:15 to 14:15.*

#### **Membership:**

Hon. D.G. Pisoni substituted for Mr Whetstone.

Mr Patterson substituted for Hon. D.J. Speirs.

Ms Wortley substituted for Ms Thompson.

Mr Odenwalder substituted for Ms Clancy.

#### **Departmental Advisers:**

Dr I. Overton, Chief Executive, Green Industries SA.

Mr J. Wheeler, Associate Director, Governance and Business, Green Industries SA.

Ms C. Yin, Manager, Finance, Green Industries SA.

**The CHAIR:** I open this session of Estimates Committee A. The portfolio under consideration is Green Industries SA. The minister appearing is the Minister for Climate, Environment and Water. I remind members that the proposed payments for the Department for Environment and Water remain open. I call on the minister to make a statement if she wishes to do so and introduce her advisers. The lead speaker for the opposition can also make a statement and then I will call on him for his questions.

**The Hon. S.E. CLOSE:** Thank you very much, Chair, and can I say thank you for your chairing. This is a long day for us, but it has been a pleasure to witness your chairing. I have no opening statement, other than to thank the public servants for the work they have done to prepare for estimates and also the work they do throughout the year. I would like to introduce my advisers. Ian Overton is the Chief Executive of Green Industries SA. On my right, I have Josh Wheeler, who is an Associate Director of Governance and Business, and Catherine Yin, who is the Manager of Finance. With that, I am open for questions.



**Mr COWDREY:** I refer to Budget Paper 4, Volume 2, page 190, in regard to the first dot point under targets 2022-23, the healthy soils fund. Can the minister advise the amount of funding allocated in the FY 2022-23 to deliver the Food Waste for Healthy Soils Fund? That is the component that was committed to in the first dot point in the 2022-23 targets section.

**The Hon. S.E. CLOSE:** Are you asking how much? What was the question precisely?

**Mr COWDREY:** How much funding has been allocated for 2022-23 towards the program, or the fund I should say, to be technically correct?

**The Hon. S.E. CLOSE:** The chief executive advises me that they are still working through the precise figure that will be allocated for this year for that stream. There will obviously be funding, but the extent of it is being resolved at present.

**Mr COWDREY:** Is funding going to be allocated towards the fund over the forward estimates?

**The Hon. S.E. CLOSE:** I am going to throw to Josh Wheeler to answer because otherwise we are going to miss something if I am repeating what I am hearing.

**Mr WHEELER:** The funding is over 2021-22 and 2022-23. The funding in 2021-22 is \$1.36 million and in 2022-23 it is about \$98,000.

**Mr COWDREY:** So from \$1.1 million to \$98,000?

**The Hon. S.E. CLOSE:** It is 2.9, and some of that has already been committed.

**Mr COWDREY:** Let's be clear, if that is possible: for this financial year 2021-22, the budget was \$1.13 million and that includes the federal contribution as well as GISA's contribution to the fund?

**The Hon. S.E. CLOSE:** That \$1.36 million is just the commonwealth funding.

**Mr COWDREY:** The \$1.36 million is just the commonwealth funding for—

**The Hon. S.E. CLOSE:** That is right, for 2021-22.

**Mr COWDREY:** So the total fund allocation for 2021-22?

**The Hon. S.E. CLOSE:** There is no additional funding in 2021-22 of state funding because funding had been committed in the previous year that leveraged the commonwealth funding.

**Mr COWDREY:** Okay, I understand. So \$1.36 million is commonwealth funding. The state had already made a contribution to the fund and you are not aware of any allocation for FY 2022-23 from the state or from GISA?

**The Hon. S.E. CLOSE:** That is all commonwealth.

**Mr COWDREY:** Pardon?

**The Hon. S.E. CLOSE:** That is also commonwealth only.

**Mr COWDREY:** So the state is making no further contribution to the fund?

**The Hon. S.E. CLOSE:** The allocation from 2020-21, which was our funding, has leveraged this commonwealth funding that is now coming through.

**Mr COWDREY:** How much of the fund has been drawn down on today?

**The Hon. S.E. CLOSE:** Because we are not certain what is going to be subject to carryover, we will have to take that on notice to give an exact figure.

**Mr COWDREY:** How many projects will be funded from the fund in 2022-23, or how many projects are forecast to be funded in 2022-23?

**The Hon. S.E. CLOSE:** That is what we are still working on, so we do not have an estimate of that yet.

**Mr COWDREY:** To be 100 per cent clear, GISA has or the state has no plans to contribute any further to the fund?

**The Hon. S.E. CLOSE:** As I understand it, there have been two rounds for the project from the commonwealth that are now closed. If there is another round, we may well apply to it, but we do not know the terms and so on. We will find out if that opens up and how that works.

**Mr COWDREY:** That is federal contribution, though. Is there any contribution from the state expected to be paid into the fund over the forward financial years?

**The Hon. S.E. CLOSE:** The state has already made its contribution to secure the commonwealth funding that is there. Should there be another round to which we apply, we would also be required to then match or contribute to that funding and that would be part of our considerations in applying. Because the round is not open, we have not yet budgeted or allocated for that.

**Mr COWDREY:** Has all the federal funding contribution been matched one to one from the state government?

**The Hon. S.E. CLOSE:** Yes.

**Mr COWDREY:** I refer to Budget Paper 4, Volume 2, page 191. In terms of dollars returned to GISA, what is the value of the funding being returned to the Green Industry Fund as a result of the government cutting the Home Battery Scheme?

**The Hon. S.E. CLOSE:** We will take that on notice because we are not certain. I appreciate the project has been ceased, but there might be some legacy expenditure that washes in, so we will take it on notice and provide that to you.

**Mr COWDREY:** Are you able to provide the numbers in terms of forward financial years that have been returned to the scheme?

**The Hon. S.E. CLOSE:** Yes.

**Mr COWDREY:** As well as this coming financial year, 2022-23?

**The Hon. S.E. CLOSE:** Yes.

**Mr COWDREY:** It is still very odd to be doing this process in June. It makes the complexity of financial years that little bit more difficult.

**The Hon. S.E. CLOSE:** Yes, true.

**Mr COWDREY:** Why is \$26.6 million being returned to the Green Industry Fund?

**The Hon. S.E. CLOSE:** I do not have a detailed breakdown. It is a number of projects that are not occurring. We will provide that expeditiously, but we do not have the detailed breakdown with us.

**Mr COWDREY:** So the minister is not able to give us a breakdown today of the programs that total the \$26.6 million that is referenced on pages 192?

**The Hon. S.E. CLOSE:** There are some projects that are simply coming to an end, such as the previous minister for environment allocated money for native heritage agreements, which came from GISA from that fund, and that was a defined period. Although I have an election commitment to also do heritage agreements, that has been funded separately and gone into the DEW budget, for example. So that money has stopped coming out of the fund, but there will be other things that have been ceased because the project itself has ceased. I just need to get that precise in order to give it to you properly.

**Mr COWDREY:** I do not imagine that that totalled \$26 million. So you are committing to return on notice with a breakdown of the programs.

**The Hon. S.E. CLOSE:** That is right.

**Mr COWDREY:** Thank you. How much of the \$26.6 million being returned to the Green Industry Fund will be reinvested in the circular economy or climate change initiatives, minister?

**The Hon. S.E. CLOSE:** The Green Industry Fund has a legislative requirement for the way in which it can be expended, so all of it will be spent in the terms of the act.

**Mr COWDREY:** You can rule out any return to Treasury as general revenue?

**The Hon. S.E. CLOSE:** The Green Industry Fund has an act that governs how it is spent.

**Mr COWDREY:** Are you able to outline any of the climate change initiatives that you imagine this money being invested in?

**The Hon. S.E. CLOSE:** Sorry?

**Mr COWDREY:** Are you able to outline any of the circular economy or climate change initiatives that you imagine this \$26.6 million being invested in?

**The Hon. S.E. CLOSE:** The money has gone into the fund. The fund exists. The fund will grow over time without being spent, but it will at different times be spent on different matters. All of them are governed by the requirements of the act. So, as activities occur, you will know what they are.

**Mr COWDREY:** Yes, but prior to now that amount had been allocated to projects. It is no longer allocated. Is the minister able to provide any further detail in terms of the programs that the \$26.6 million will now be invested in?

**The Hon. S.E. CLOSE:** The \$26 million is a decrease in expenses.

**Mr COWDREY:** So effectively returning the fund.

**The Hon. S.E. CLOSE:** I agree with the way you are constructing that; I am just making sure that we are all talking about the same issue.

**Mr COWDREY:** Yes, it is effectively unspent funds which then obviously have an impact on the position—

**The Hon. S.E. CLOSE:** The fund is influenced, yes.

**Mr COWDREY:** —for the whole general government sector. Have these funds been allocated and when will they be allocated to projects, or is the government planning on keeping the money there?

**The Hon. S.E. CLOSE:** As the shadow treasurer may well be aware, these hypothecated funds go up and down over time. They often will build for a while and then be drawn down on substantially, and that is what will happen with this fund. However, because the only projects that can be spent on are governed by the act, the shadow minister can be assured that the funds, when spent, will be spent on projects that are consistent with the act, which includes climate change initiatives. It is a question of at what point and that is identified in each budget.

**Mr COWDREY:** Are there plans at the moment for any investments for that money?

**The Hon. S.E. CLOSE:** Only what is in the budget.

**Mr COWDREY:** But there is nothing in the budget. The budget says that the \$26 million is now unallocated and has been returned to the fund.

**The Hon. S.E. CLOSE:** I think we are just saying the same thing to each other. The money is sitting in the fund. There will be budgeted expenditure at some stage.

**Mr COWDREY:** Yes, but does the minister have any plans for the \$26.6 million over the next financial year, or has she effectively cut programs to deliver \$26.6 million worth of outcomes for the circular economy and climate change to then have the money sit unallocated in the fund to help the general government NOB, net operating balance?

**The CHAIR:** I recommend to the member that he ask one question at a time. There were multiple questions in that question. If you ask the minister to answer, if you could break the question up. The question regarding the \$26 million, which you have asked quite rightly, the minister has indicated that she has not allocated to any particular projects at this point in time if I have understood her answer correctly. My understanding is also that \$26 million sits in the fund unallocated at this

point in time. My understanding also is that she is happy to give the information when those programs are allocated. What is it that you are trying to find out, member, because I am not clear either what you are actually asking?

*An honourable member interjecting:*

**The CHAIR:** The member for Colton is quite capable of speaking for himself. I am happy to listen to you, member for Colton.

**Mr COWDREY:** My question is: why has that \$26.6 million not been allocated to initiatives to deliver on climate change and the circular economy, given that this parliament just two months ago passed a declared climate emergency? Would it not be prudent to be spending that \$26.6 million on climate change initiatives now?

**The Hon. S.E. CLOSE:** The balance of the fund is—

**The CHAIR:** Just take the question that the member for Colton put to you.

**The Hon. S.E. CLOSE:** The balance of the fund is not just the \$26 million. I am not sure if that is part of the confusion here. As of 30 June 2022, the balance of the fund will be nearly \$70 million. It is then projected to go to \$75.5 million, then to \$97.7 million, then \$114.5 million and, by 2025-26, to \$142.5 million. The previous government did not spend every dollar that came in in the year that it came in and nor did the government before that.

The way that these funds work is that the money comes in, there is a strict limit on the way in which it can be spent and, from time to time, budget imperatives, ideas or projects come up and the expenditure authority is given. In the normal course of events, there will be reasons to spend this money. They will be well judged and well enacted and that is how the funding will support addressing the climate emergency, if that is at the kernel of your questioning.

**Mr COWDREY:** Essentially, one-third of the fund has been returned, based on it no longer being allocated to the current funding level. Nearly one-third of that has been returned, based on it no longer being allocated or expended through projects, so is there any desire? Is the minister hoping to see a certain level of the fund—

**The Hon. S.E. CLOSE:** Any minister with a hypothecated fund at their disposal wants to spend every dollar of it. That is a process of determining what the priorities are and when they can be expended. I would point out in this context—because I think the political point that is attempting to be made is that there is money that could be spent on climate change initiatives that is not being spent on climate change initiatives today, as would be the case from the balance that I inherited in coming into office in March—that it could have been spent by the previous minister and the previous government and was not. I would offer contemplation of the nearly \$600 million that is being spent that is allocated in the budget to create a hydrogen plant as evidence of earnest intent to act on climate change.

**Mr COWDREY:** What are the priorities of this government in regard to the spending of this fund? Are there any active proposals being considered by GISA in terms of expenditure out of the fund?

**The Hon. S.E. CLOSE:** The entire Green Industries budget comes from that fund. Is there any particular aspect of their budget that you wanted to ask about?

**Mr COWDREY:** Are there any new initiatives to be funded?

**The Hon. S.E. CLOSE:** All the program is here, so you can see what occurs as a result of having Green Industries. That is how the money is being spent at present.

**Mr COWDREY:** Yes, but does the minister have any plans for new initiatives?

**The Hon. S.E. CLOSE:** I could refer the member to the website that has the business plan that articulates all the activities occurring in Green Industries. There will be a new business plan up there very shortly for the next period.

**Mr COWDREY:** I refer to Budget Paper 4, Volume 4, page 192. Given the fuss that had been made previously in regard to reduction of waste to landfill performance, why is the 2022-23 target the same as the 2021-22 estimated outcome?

**The CHAIR:** I remind the member that questions are questions; they are not to contain argument or commentary as well. I will let you have the question, but just be mindful that questions should be exactly that.

**The Hon. S.E. CLOSE:** Because the actual in 2021 was far from being a drop. I think the target was something like 7,500, from memory; in fact, it was a 13,000-tonne increase. The next attempt at a target was to at least be zero, and the result was a good one of a 5,000 reduction, and therefore we are hoping to maintain that. There was an effect of COVID it seems, according to the previous minister, that resulted in an increase in waste to landfill. We have a prudent target; if we exceed it, that would be excellent, but it spectacularly failed a couple of years ago.

**Mr COWDREY:** Will the minister look to increase the target in future years?

**The Hon. S.E. CLOSE:** We review this each year. Obviously the goal for everyone is not to put what are resources into landfill to rot or to remain stagnant. There are a number of strategies to achieve that. The current work that has been undertaken by, for example, the City of Holdfast Bay, if it is rolled out successfully in other councils, ought to result in dramatic reduction in the weight of waste to landfill. It currently takes up something like 40 per cent of the weight of landfill bins with green waste that could be turned into compost.

Through using the fund about which there has been much discussion, GISA has been able to provide grants to councils to do trials to see if they can accelerate the amount of green waste diversion into the green bin. That has now resulted in the City of Holdfast Bay being the first council to offer that weekly pickup across their council area. Charles Sturt is now going to initiate a trial, and I have heard of interest from a number of other councils, including my own (Port Adelaide Enfield). If that proves successful, I think it will see a very pleasing drop in the amount of waste that goes to landfill. That will also be reflected in future targets as we approach other ways of addressing waste to landfill.

**Mr COWDREY:** That is a very helpful segue. What is the estimated landfill diversion target attributable to the City of Holdfast Bay's FOGO program?

**The Hon. S.E. CLOSE:** It is a 76 per cent diversion of waste into the green or yellow bin out of the landfill bin.

**Mr COWDREY:** Sorry, I missed the figure.

**The Hon. S.E. CLOSE:** It is a 76 per cent diversion of waste from the landfill bin to either the green or yellow-lidded bin, the commingled bin.

**Mr COWDREY:** How much funding was provided by GISA to the City of Holdfast Bay for the project?

**The Hon. S.E. CLOSE:** The grant was for \$244,000.

**Mr COWDREY:** Was anything written into that funding agreement, in terms of what the money was to be spent on? Was it for communications? Was it for education?

**The Hon. S.E. CLOSE:** That was obviously entered into by the previous government, so I have not seen that contract, but I can give you slightly more detail. There were three elements to that money, so it went into three grants, essentially. There was nearly \$98,000 for the opt-in trial, \$46,000 for the opt-out trial and \$100,000 for the rollout, much of which I suspect would be about communications, community education and having champions and so on.

**Mr COWDREY:** So it is \$100,000 for the final, \$40,000 and \$19,000.

**The Hon. S.E. CLOSE:** Yes, it is \$97,900, \$46,380 and \$100,000.

**Mr COWDREY:** I refer to Budget Paper 4, Volume 2, page 189, dot point 7. Is the government considering introducing a pay-as-you-throw usage pricing model for disposing of municipal solid waste?

**The Hon. S.E. CLOSE:** I am informed that Green Industries is currently undertaking consultancy on what all the options are to help reduce waste to landfill. That will be a very interesting exercise and everything is on the table, which presumably would include the pay-as-you-throw model amongst all the others. It simply is about casting the net wide and working out what people think about them. I imagine that most of the approaches that will be considered, if not all, occur somewhere in the world already. It is a question of what works in South Australia.

**Mr COWDREY:** The minister is not ruling it out. It is on the table and being actively considered.

**The Hon. S.E. CLOSE:** Well, I am not ruling it out, but this is the first I knew that we were doing it. One of the disadvantages of an estimates committee so soon after becoming minister is that if I did have that in a brief—

**Mr COWDREY:** That was your choice, not ours.

**The Hon. S.E. CLOSE:** Indeed—well, a collective choice. I am simply saying please do not over-read the fact that there is a wide-scoped investigation of all kinds of options. It does not mean that I am refusing to rule something out; it is just included in a general approach to work out what all options might look like and what people think of them well before there is any consideration at a ministerial level.

**Mr COWDREY:** When do you expect this consultation to be concluded?

**The Hon. S.E. CLOSE:** Sometime later this year.

**Mr COWDREY:** I refer to Budget Paper 4, Volume 2, page 190, dot point 4. Can the minister detail the difference between the Circular360 program, announced last year, compared to the Catalyst for a Green Economy program, detailed in this year's budget?

**The Hon. S.E. CLOSE:** They are quite different projects. They are not interchangeable. Circular360 is about creating a network in South Australia to increase capability. Catalyst for a Green Economy is about bringing in experts from outside for periods of time to help accelerate the understanding and growth of businesses and organisations and how to engage in the circular economy.

**Mr COWDREY:** What is the budget line associated with the delivery of this project?

**The Hon. S.E. CLOSE:** The catalyst one?

**Mr COWDREY:** Yes.

**The Hon. S.E. CLOSE:** It appears difficult to disentangle it from a broader program. If I am able to identify a specific costing, I will give you that answer. I will take the question on notice.

**Mr COWDREY:** So you will take on notice the cost of that particular program?

**The Hon. S.E. CLOSE:** If it is possible to distinguish that element of the budget.

**The CHAIR:** Sadly, the time allotted has expired. I declare the examination of the proposed payments for the Department for Environment and Water and Administered Items for the Department for Environment and Water complete. We now open the portfolio for Department for Innovation and Skills, Employment and Higher Education.

**DEPARTMENT FOR INNOVATION AND SKILLS, \$382,416,000**

**ADMINISTERED ITEMS FOR THE DEPARTMENT FOR INNOVATION AND SKILLS,  
\$13,365,000**

**Membership:**

Hon. J.A.W. Gardner substituted for Mr Cowdrey.

**Minister:**

Hon. S.E. Close, Deputy Premier, Minister for Industry, Innovation and Science, Minister for Defence and Space Industries and Minister for Climate, Environment and Water.

**Departmental Advisers:**

Mr A. Reid, Chief Executive, Department for Innovation and Skills.

Ms N. Chandler, Executive Director, Strategy, Policy and People, Department for Innovation and Skills.

Ms P. Chau, Executive Director, Performance and Business Operations, Department for Innovation and Skills.

Mr A. Dunbar, Executive Director, Innovation in Science, Department for Innovation and Skills.

**The CHAIR:** I declare the proposed payments reopened for examination. I call on the minister to make a statement, if she wishes, and to introduce her advisers, and then I will call on the lead speaker for this session, the member for Morialta, to either make an opening statement or to ask questions as he wishes. The floor is yours, minister, when you are ready.

**The Hon. S.E. CLOSE:** Hello and welcome. Without giving an introductory speech, I thank all the public servants who have been involved in preparing estimates and for the work that they do all year round. I would like to introduce my advisers. Adam Reid is sitting on my left, the chief executive. On my right, I have Andrew Dunbar, who is Executive Director, Innovation and Science; Nari Chandler, who is Executive Director, Strategy, Policy and Migration; and Phuong Chau, who is Executive Director, Performance and Business Operations, is sitting behind us.

**The CHAIR:** The member for Morialta.

**The Hon. J.A.W. GARDNER:** I indicate to the committee that I have to leave at about 3.15 because the government has scheduled one of my other portfolios in the other chamber. Fortunately, the member for Morphett and I share joint portfolio responsibility for this area, so I am hoping we can start with higher education for that reason.

**The Hon. S.E. CLOSE:** Sure.

**The CHAIR:** You will be missed.

**The Hon. J.A.W. GARDNER:** I have no doubt, sir, by the thousands of viewers of the parliamentary stream.

**The CHAIR:** I was actually just talking about the committee members.

**The Hon. J.A.W. GARDNER:** I will direct them to move to committee B at that point, except for Dr Patterson, the member for Morphett's father. I refer to Budget Paper 4, Volume 3, page 169. One of the objectives of the program area is obviously to undertake strategic engagement and collaboration with higher education providers. What level of departmental resources are applied towards this objective?

**The Hon. S.E. CLOSE:** It was very unfortunate, I think, when I came into office to discover that almost no resources were devoted to higher education policy in the state government. We have gone through a process of determining what is required, and as part of the disentangling from education also we have been able to allocate \$1 million a year to establish a proper office for higher education policy.

**The Hon. J.A.W. GARDNER:** How much was that, sorry?

**The Hon. S.E. CLOSE:** It is \$1 million a year to establish a proper area. Having funding is terrific but we also need the people, and we are in the process of gathering those people. If I can foreshadow that with respect to some of the questions the shadow minister might ask it may be that

I have to take them on notice because we are yet to determine the precise answers having had very little policy heft to seek advice from, but I will do my best.

**The Hon. J.A.W. GARDNER:** The minister, I am sure, will understand then my surprise at the same discovery I found when I became Minister for Education that apparently up until 2018 almost no resources were applied across government to the higher education function for which I then had responsibility, and some responsibility was taken by the Department for Education and some FTEs were hired.

I am wondering whether there have been any machinery of government changes that have seen this department given any of those resources that were in the Department for Education—admittedly less than \$1 million worth probably? Have any of those resources now transferred to this department, or have they been held close by Education?

**The Hon. S.E. CLOSE:** The machinery of government arrangements—which are still winding their way through to completion—in this particular matter involve giving funding rather than people, so that is why we are having to establish it.

**The Hon. J.A.W. GARDNER:** Can I clarify: is that \$1 million the minister referred to all coming from the education department to this department, or is some of that new money?

**The Hon. S.E. CLOSE:** The \$1 million is coming from the education department. On top of that is the funding for the university commission, which is the election commitment, so that sits separately and above.

**The Hon. J.A.W. GARDNER:** To clarify then, the Department for Education is transferring \$1 million to this department to establish the office for higher education and the staff who will fill that office are yet to be hired, but from presumably 1 July 2022 that office will be created within your department?

**The Hon. S.E. CLOSE:** That is it.

**The Hon. J.A.W. GARDNER:** Will the staff who are currently performing those roles in the education department remain in education?

**The Hon. S.E. CLOSE:** I assume so, but I do not have line of sight.

**The Hon. J.A.W. GARDNER:** They can do what they like.

**The Hon. S.E. CLOSE:** Maybe they all left when you stopped being minister.

**The Hon. J.A.W. GARDNER:** Are there any other resources that have come into this program area through machinery of government or through agreement with other chief executives—

**The Hon. S.E. CLOSE:** For higher education, no.

**The Hon. J.A.W. GARDNER:** Or for the program area under scrutiny more broadly?

**The Hon. S.E. CLOSE:** We are in the middle of finalising all sorts, but I do not think that is subject to this budget line. It is probably not worth going into the details here.

**The Hon. J.A.W. GARDNER:** In relation to page 170 and the net cost of providing services, does this include the \$1 million that is being transferred from the Department for Education that has just been identified. There is \$31,299,000—

**The Hon. S.E. CLOSE:** No, it does not.

**The Hon. J.A.W. GARDNER:** So that is yet to be added to the accounting.

**The Hon. S.E. CLOSE:** I should probably point out also that StudyAdelaide is coming over from the Department for Trade and Investment.

**The Hon. J.A.W. GARDNER:** StudyAdelaide will become part of this program area as well along with its resources?

**The Hon. S.E. CLOSE:** That is right.

**The Hon. J.A.W. GARDNER:** Is it carrying with it any departmental efficiencies?



**The Hon. S.E. CLOSE:** I do not believe so, but I will correct the record if I am inaccurate about that.

**The Hon. J.A.W. GARDNER:** The table here shows a relatively significant drop, from \$43 million last year to \$31 million this year, notwithstanding the \$1 million extra that is coming in from Education. There is an explanation underneath that explains \$11 million of that drop as a result of a notional allocation of departmental efficiencies.

Can the minister identify the amount assigned to this program as part of those departmental efficiencies for the following three years in the forward estimates? So, if it is \$11 million, according to this notional allocation at the bottom of page 170, which presumably is for 2022-23, can you give us the figures for the following years?

**The Hon. S.E. CLOSE:** We have undertaken a notional allocation for the purpose of these Agency Statements, but the forward estimates are yet to be determined.

**The Hon. J.A.W. GARDNER:** With regard to the higher education objective, obviously there is \$1 million coming into the department from Education to establish this office. Is that \$1 million guaranteed to be provided for that purpose, or is any of that subject to be considered as part of fulfilling this departmental efficiency?

**The Hon. S.E. CLOSE:** Given that it has not yet come over, I guess it is slightly beyond the terms of this budget, but it is my intention to spend that money on higher education.

**The Hon. J.A.W. GARDNER:** So, in terms of this budget, you can confirm that effectively the higher education objective will not be providing a contribution towards the department's efficiency target?

**The Hon. S.E. CLOSE:** It is simply too early to determine exactly how we are allocating the efficiency, so I would not want to provide anything as definitive as that, but the intention of having that money is to establish a proper higher education policy unit.

**The Hon. J.A.W. GARDNER:** As the minister said earlier, there is also an additional \$1 million for the coming year to establish the university merger commission. That is on Budget Paper 5, page 90, and the next set of questions will be going towards that one, for those keeping score. Is the plan that the office for higher education policy or any other part of the department resources be used to support that commission?

**The Hon. S.E. CLOSE:** It is probably a little early for us to be clear about that because we are still, first of all, establishing the higher education policy area and also then determining the precise nature of the commission. The expectation is that the million dollars will be sufficient to run the commission, but we are still setting up both of these entities.

**The Hon. J.A.W. GARDNER:** Do you expect that the commission will be in place prior to the office for higher education policy or the other way around?

**The Hon. S.E. CLOSE:** I am hopeful that we will have one or two policy bodies soon and preceding having the commission.

**The Hon. J.A.W. GARDNER:** In relation to the commission, \$1 million is identified for the financial year, including three staff. Is that \$1 million included and accounted for in the \$31 million on page 170 under the department's program budget, or is that accounted for elsewhere?

**The Hon. S.E. CLOSE:** It is included. Just to be clear with the three FTE that are there, that is a notional allocation that does not confine us.

**The Hon. J.A.W. GARDNER:** I understand. Who is going to be doing the work in this commission? Are you expecting that it will be an entirely new group of people advertised for, or are you looking to second public servants?

**The Hon. S.E. CLOSE:** It is still too early, as we are having preliminary discussions with the interested parties to any reconstruction of the university sector and also trying to stand up a new unit in the department. It is too soon to say how we might staff that, but it will all come out.

**The Hon. J.A.W. GARDNER:** How will the university merger commissioner be selected? What sort of person are you looking for?

**The Hon. S.E. CLOSE:** Again, I think it is slightly too early to say anything other than the banalities that we could all agree: someone, or more than one person, who is eminent or a person or persons who are respected by the sector who have an understanding of different structures. We need to do some more work to get into the detail of this and then I think that will help us determine that.

**The Hon. J.A.W. GARDNER:** Are you looking to undertake an advertisement for the position or seek input from stakeholders? I have some suggestions I am sure the minister would be delighted to hear—

**The Hon. S.E. CLOSE:** Excellent; I would be delighted, yes.

**The Hon. J.A.W. GARDNER:** —or are you looking to choose someone and then approach them and go from there?

**The Hon. S.E. CLOSE:** I think it is unlikely that we would just put an ad in the paper or on Seek, but I am still open to suggestions. People—not your good self yet, but now perhaps—have been suggesting names, but we need the policy effort to exist first so that we can go through this methodically. The current staff in the department have been and are doing their level best to support my thinking in this, but I would rather allow this unit to be established and then prepare for the commission.

**The Hon. J.A.W. GARDNER:** To be clear, the policy document, which I think was one of Labor's first policy documents, describes an eminent commissioner with experience in higher education and, in the subsequent period, we have not identified any other criteria on top of that. We are waiting for the establishment of the unit.

**The Hon. S.E. CLOSE:** That is right.

**The Hon. J.A.W. GARDNER:** What will be the expectations of the commission? The document states:

...required to address and manage the risks inherent in this ambitious project...The Commission will be required to estimate the cost of a merger and how the investment required would be realised...The Commission will map the staffing of universities in order to charge a path of increased employment stability—

and so on. Are there any other pieces of new information the minister can add to clarify what the commission and the commissioner will be expected to do?

**The Hon. S.E. CLOSE:** No, I think that probably summarises it reasonably well, which is sometimes surprising for a document conceived in opposition. It is difficult to be very prescriptive from opposition, but that does characterise it. We are working currently on our consideration of the terms of reference and the stages of the process, but we are dealing with a number of stakeholders so I would prefer not to go into detail until we are able to be a bit more public with everybody.

**The Hon. J.A.W. GARDNER:** Maybe the minister can identify which stakeholders she has met with since coming to office in relation to pursuing this commission, given that the stakeholder feedback seems to be so important in forming the detail of what will be delivered in the commission.

**The Hon. S.E. CLOSE:** To date, I have had discussions with the three universities, including their management leadership, their governance leadership, and also with the NTEU. I have times being set up with the student unions as well.

**The Hon. J.A.W. GARDNER:** When you say the NTEU, are you talking about the state body or each of the university branches?

**The Hon. S.E. CLOSE:** The state body.

**The Hon. J.A.W. GARDNER:** Are you looking at meeting with the student unions separately?

**The Hon. S.E. CLOSE:** It will be with each of them separately, that is right.

**The Hon. J.A.W. GARDNER:** Are there any other stakeholders that you are looking to meet with prior to finalising these details?

**The Hon. S.E. CLOSE:** I think there are many others who have an interest in the university sector, not the least being industry partners that seek to engage in research projects alongside universities. Once we have the policy unit in place, we have an opportunity to speak to all the stakeholders properly and we start to construct the terms of reference for the commission, then we will be more advanced in being able to include a broader scope of stakeholders.

**The Hon. J.A.W. GARDNER:** The funding is identified as being entirely within the 2022-23 year. The minister has suggested there are not too many more stakeholders she needs to speak to before finalising the details. Are you able to give us a time line for when you expect this commission to be established and when it will report to government and the university councils, as I believe it is supposed to under the document?

**The Hon. S.E. CLOSE:** I do not have a precise time line yet.

**The Hon. J.A.W. GARDNER:** Can you commit to that work being completed by 30 June next year when its funding runs out?

**The Hon. S.E. CLOSE:** I would expect so.

**The Hon. J.A.W. GARDNER:** Have any of the vice-chancellors or union representatives the minister has met with, or indeed other groups (alumni groups or anyone else) who may have proactively approached the minister with communications of one form or another, expressed any reservations, concerns or opposition to the plan?

**The Hon. S.E. CLOSE:** I do not want to use this place to convey discussions I have had with stakeholders, particularly as I have named the stakeholders that I have met with to date. However, as a generalisation, it would be reasonable to assume that anyone who has spent any time thinking about this issue appreciates why the question is asked and also can see the challenges inherent in changing the structure of our university sector.

People who understand universities and understand university policy across Australia for some time recognise the challenges that face the universities as they are currently constructed, but we all also know how difficult it is to change and the opportunity costs that occur during change. It would be unsurprising to the shadow minister that all issues have been raised with me but in a respectful and constructive way.

**The Hon. J.A.W. GARDNER:** Were the meetings that the minister has had in relation to this matter informal meetings, or were they formal meetings with minutes taken?

**The Hon. S.E. CLOSE:** There have been no minutes taken that I am aware of.

**The Hon. J.A.W. GARDNER:** That might have saved somebody some time in your department there. In relation to the policy document, it determines five criteria for the commission to consider in making its recommendation. I am not going to go through them. I am sure the minister is more than aware of them.

I note that of those five criteria that will determine whether or not the commission supports a merger and sets out how it might take place, agreement from the relevant university councils is not one of those five. Is the minister able to give a commitment to the universities that if they do not want to take part in a merger the government will not proceed with the legislation over their wishes?

**The Hon. S.E. CLOSE:** I am reluctant to engage too much in this because these matters are a delicate conversation to be had. The policy is clear that the question needs to be asked. In fact, it has been asked for as long as I have been conscious of the existence of universities. We came close some time ago. Under the previous government, indeed, there was an announcement that two of the universities were interested in merging, and it looked like it was all happening and then suddenly it was not.

There is a legitimate question to be asked about it, and there are legitimate policy imperatives that suggest that the current structure of the universities may not be sustainable in the medium to

long term. How those discussions then unfold is a matter of the fine management through the commission and by the government and probably not best managed through an estimates hearing.

**The Hon. J.A.W. GARDNER:** I thank the minister for the answer. I move to Budget Paper 4, Volume 3, page 169, and it is the original reference that I was talking to and not looking at numbers on the page. There were some other commitments that I understand from estimates yesterday are within the purview of this minister to seek the delivery of in relation to universities and teaching degrees. Has the minister spoken to the South Australian universities about Labor's commitment to require teaching students to have a minimum ATAR of 70, and have they agreed to it?

**The Hon. S.E. CLOSE:** I have not commenced those discussions yet. I will after 1 July. I do not anticipate that being a difficult conversation to have, although the application at their end may be challenging in some places. I have been really keen to get a policy unit established so that we can do this professionally and not just out of a minister's office.

**The Hon. J.A.W. GARDNER:** Is the expectation then that that policy would apply for teaching students who are seeking to start their studies at university next year, or are you looking to have it in place for 2024?

**The Hon. S.E. CLOSE:** I will know more after I have those discussions.

**The Hon. J.A.W. GARDNER:** Are those discussions set to be with the vice-chancellors or the executive groups you spoke to in relation to the university commission already, or are you looking specifically at deans of education?

**The Hon. S.E. CLOSE:** That will be up to the universities at the level at which they wish to have this conversation. And it is a discussion; it is not something that can be easily imposed.

**The Hon. J.A.W. GARDNER:** Has the minister or her office approached the universities yet in order to set up those meetings, or is that something that the minister is waiting for the establishment of the unit within her department?

**The Hon. S.E. CLOSE:** For those specific meetings? I meet with universities frequently in a variety of forums and for a variety of reasons. Those specific ones are yet to be set up.

**The Hon. J.A.W. GARDNER:** Is the minister expecting that there will be exemptions to the ATAR floor of 70?

**The Hon. S.E. CLOSE:** I need to have the discussions before I can answer at that level of detail.

**The Hon. J.A.W. GARDNER:** Should the universities not be interested in pursuing the policies, is the government willing to legislate, introduce legislation to require them to do so?

**The Hon. S.E. CLOSE:** I do not want to signal what path we might take before I have even had the beginnings of the discussion with the universities.

**The Hon. J.A.W. GARDNER:** But you are not ruling it out?

**The Hon. S.E. CLOSE:** Those kinds of questions always sound like a trick question. I am simply saying I am not going to countenance options until I have at least had those discussions.

**The Hon. J.A.W. GARDNER:** Does the minister have a view on the fact that many students who study teaching degrees and other degrees are entering university without using an ATAR at this point in time? Is there an expectation that teaching degrees are required to have entrance to university through an ATAR?

**The Hon. S.E. CLOSE:** That is all part of the discussion. It is interesting, of course, as you would know very well having been the education minister, most people do not understand how many people go to university without having an ATAR.

**The Hon. J.A.W. GARDNER:** More than half these days.

**The Hon. S.E. CLOSE:** Exactly. Half the people who start university in a given year are not coming through 'I've just left school. Here's my ATAR.' I understand that, and the universities will understand that very well. The discussion has always been premised on wanting to make sure not

only that people who are likely to be very good teachers study teaching but also that there is a degree of respectability associated with the quality of the course that one is trying to enter. That will be the starting point of the discussions for me.

I have always, when I was previously education minister, been interested in the quality of the graduates—less on who starts a teaching degree and more on how they finish it. I also understand the desire for people to ensure that the people who teach their children are intelligent, educated and competent at literacy and numeracy, so this is part of that. I want to have the discussions with universities before getting into what we do about the ones who come through alternative mechanisms. I am very supportive of alternative mechanisms of going to university of course.

**The Hon. J.A.W. GARDNER:** I recognise there is an enormous degree of nuance and the minister's answer is wise, but there is not much nuance in the Labor policy document the minister is now seeking to implement. It says that there will be a minimum ATAR for teaching degrees of 70. More than half of the students, we have identified, are not there through their ATAR. Will those who are entering through other ways and do not have an ATAR be dissuaded from entering this course? Indeed, will those who would be eligible under non-ATAR criteria, but who also have the bad luck of having an ATAR, have their ATAR applied, even if they would be otherwise eligible?

**The Hon. S.E. CLOSE:** This is all the nuance of the actual delivery of the policy. The policy intent is clear. Students who start university not through an ATAR process nonetheless go through a process. They do not simply say, 'When you turn 21, you can show up.' There is a selection process that enables students to choose different courses. That becomes effectively an ATAR equivalent. We will work through that level of detail. I do not anticipate it being a particularly difficult conversation. With the intent that there is an expected standard of teaching quality that comes from the quality of people's capacity to undertake work in going into the course, there will be methods for establishing equivalence.

**The Hon. J.A.W. GARDNER:** My understanding is that most of the occasions when there have been students with ATARs of less than 70 who have been allowed into teaching degrees in recent years have often had compassionate grounds. They might have been carers through year 12 or suffered some sort of injury or health issue. While the ATAR may not have been there, there have been grounds on which the universities have seen fit to allow them in. Can I just get confirmation from the minister that she thinks that is a reasonable approach?

**The Hon. S.E. CLOSE:** These are exactly the kinds of conversations I expect to be having with universities. We will work through how that translates in order to fulfil the election commitment to the best of our ability, while nonetheless allowing for an estimated equivalence that is reasonable.

I would note that, looking through last year's intake, nearly all the teaching courses had a minimum ATAR of 70. We are not dealing with a dramatic crisis of very low ATARs going into university. There is a stated ATAR selection of 70 for nearly all of them. In fact, the only one last year that I could find was for special and disability education, which was slightly below.

We will discuss this. The universities are very used to being able to have an equivalent assessment for people without an ATAR, or with an out-of-date ATAR, so that they are still nonetheless getting students in who will be successful at the course they are undertaking. They are past masters at this and I bet will be able to resolve it probably in less time than it takes to have an estimates discussion about it between the two of us.

**The Hon. J.A.W. GARDNER:** This is one of the key points in 'Labor's seven-point plan for teaching quality', right up there with specialist subjects for specialist teachers.

**The CHAIR:** Member for Morialta—

**The Hon. J.A.W. GARDNER:** Sir, I am happy to move on.

**The CHAIR:** —I have given you quite a bit of latitude. I hope you noticed that.

**The Hon. J.A.W. GARDNER:** I have one more subset—

**The CHAIR:** Can we have some questions rather than all the commentary, please.

**The Hon. J.A.W. GARDNER:** I was wondering if the minister is able to identify, in relation to the scholarships, which were part of the same policy document, how many scholarships in each of the categories are expected to be offered in each of the years?

**The Hon. S.E. CLOSE:** That ought to be reasonably straightforward for the policy unit, as soon as it is established, to negotiate with universities. I think we will be able to deliver that really quickly, but I do not have here in my briefings what that might look like.

**The Hon. J.A.W. GARDNER:** The scholarships are identified as 400 scholarships over four years at \$5,000 each. Are we able to get a breakdown (I am happy for it to be on notice) of what is the proposed expenditure in each year? Sorry, I think the minister said before there is no breakdown yet between the four categories, so the overall in each of the years.

**The Hon. S.E. CLOSE:** To the extent we have it as of now, I am happy to supply on notice. Otherwise, if we are still evolving it, which I expect is largely the case, then we either have this discussion again next estimates or I am able to answer it through making this information public at an earlier date.

**The Hon. J.A.W. GARDNER:** Can the minister identify if she expects all these 400 scholarships to be provided between now and the next election, or will a group of them—is the expectation that they will be provided in 2026 for students entering university in 2027?

**The Hon. S.E. CLOSE:** We have not yet had the transfer over because it was initially allocated to education, so when we know that we will let you know.

**The Hon. J.A.W. GARDNER:** Is the expectation that Aboriginal students who are likely to receive this scholarship will also be able to receive the Amy Levi scholarship, worth substantially more, that they are currently receiving as well?

**The Hon. S.E. CLOSE:** I do not know how we will deal with interactions with other scholarships.

**The Hon. J.A.W. GARDNER:** Has any thought been applied to considering how men wanting to study primary teaching will be assessed?

**The Hon. S.E. CLOSE:** Not yet.

**The Hon. J.A.W. GARDNER:** Is it expected that the scholarship will be a lump sum? Is it going to be \$1,250 per year for a four-year degree or some other mechanism?

**The Hon. S.E. CLOSE:** We will work that through with universities on what they believe is their most appropriate way to do it. The lump sum can be very helpful at the beginning of the course, but of course there is a dropout rate so I will be interested to have those discussions.

**Mr PATTERSON:** Referring to Budget Paper 5, page 87, just around the department efficiencies, it says that the operating expenses reduce from \$20.135 million in 2022-23 to \$16.5 million in 2025-26. Is the nominal amount for 2022-23 the \$11 million you spoke about previously in the industry, innovation and science program?

**The Hon. S.E. CLOSE:** Yes, the allocation for the next year is \$11 million. Beyond that, we have not yet identified in the subsequent years how we will allocate.

**Mr PATTERSON:** Just for reference, so in the training and skills program—

**The Hon. S.E. CLOSE:** Other than for that.

**Mr PATTERSON:** —are you able to give a breakdown of those following? This one is still to be worked through, but it would be along those lines; if you are losing \$4 million from that program, you would expect around a similar quantum in this program?

**The Hon. S.E. CLOSE:** A similar proportion, but bearing in mind that there are other—Adam has areas reporting to him that report to other ministers in other program lines, such as the creative industries and small business. The notional allocation for the industry element has occurred for this coming financial year, but not yet subsequently from within what SACE are reporting to the chief executive.

**Mr PATTERSON:** We will circle back to that. Also referring to that same line item, it also has some efficiencies from investing payments starting off in 2022-23 of \$1 million, building up in 2025-26 of \$5 million. Are any of those investing payments part of the efficiencies in the industry, innovation and science program?

**The Hon. S.E. CLOSE:** The investing payments really do apply across the whole department. They are not allocated against programs, so it is not possible to say which part of IT—investing in infrastructure, for example—would belong to which program. We have not notionally allocated the division.

**Mr PATTERSON:** These efficiencies are purely for the Department for Innovation and Skills. StudyAdelaide, you said previously, is coming over into this department. Are there expectations for efficiencies with that transfer?

**The CHAIR:** The question was previously asked and the minister already answered that question prior.

**The Hon. S.E. CLOSE:** That is still in play, so I am unable to answer that question.

**Mr PATTERSON:** In regard to these operational efficiencies, you have slated \$11 million. We only have it for this year and potentially for other years. Will staff allocated to the skills delivery and employment aspect of industry, innovation and science be part of these efficiency measures?

**The Hon. S.E. CLOSE:** The skilled staff?

**Mr PATTERSON:** Or staff involved in delivery around programs for industry, innovation and science?

**The Hon. S.E. CLOSE:** I see—will FTEs be used to deliver efficiencies? Is that the nature of the question? Almost certainly there will be some reduction in FTEs associated with that. The nature of those is being determined at present. We are looking for operational efficiencies for not putting pressure on those staff who interact with industry in priority areas but to have greater efficiencies behind the scenes. It will require significant change management work, which the chief executive has commenced already.

**Mr PATTERSON:** I refer to Budget Paper 4, Volume 3, page 170. In the table under program summary it has the FTEs as of 30 June. It shows that in 2023 it reduces down to 116. Does that include the machinery of government changes going off to the Department for Education, or is that just the efficiencies?

**The Hon. S.E. CLOSE:** It is so complex because people are coming in and people are going out, but the machinery of government changes related to the skills program going off to the education department are reflected separately in the next program line. I know that you are asking about this program line. That drop in FTEs is the way Treasury has allocated notionally what the savings would look like if taken as FTEs.

The Treasurer, however, has been very clear that he has no requirement for how savings are achieved. Therefore, if there are alternative ways of delivering some or all the savings that are allocated to departments, then there is no requirement to drop FTEs. That is just a way that Treasury prefers to give an estimate of the notional impact.

**Mr PATTERSON:** I will stay on this line item, or go back to the Budget Measures. In terms of those efficiencies then, we are looking at \$11 million. There is quite a substantial drop in the grants and subsidies. Are there any grant programs that are being ceased as part of this? If so, which ones are they?

**The Hon. S.E. CLOSE:** The only grant program that is being discontinued is the EXCITE intermediaries. Other than that, you are correct: the notional FTE reduction is not all of the way that Treasury have captured the savings. They have also done a notional reduction in grants. That does not reflect any decisions that are yet to have been made internally though. We do not anticipate terminating other grants according to that, but we may well be reducing some in order to reprioritise, bearing in mind the \$100 million Economic Recovery Fund that the Treasurer has established.

Determining how much effort that would otherwise have taken place within the industry program is going to be able to be undertaken through that program is a process for us. We will work through the grants programs, but, as I said, apart from the EXCITE intermediaries, which are separately listed as a budget measure saving, we are not anticipating discontinuing grants altogether.

**Mr PATTERSON:** To confirm, potentially that might mean that, as part of the efficiency, there might be underspending in existing programs to meet those efficiencies.

**The Hon. S.E. CLOSE:** That is right.

**Mr PATTERSON:** I refer to Budget Paper 4, Volume 3, page 169, highlights, the Australian Cyber Collaboration Centre. Can the minister advise that you will continue the full funding for the Australian Cyber Collaboration Centre over the term of its existing contract?

**The Hon. S.E. CLOSE:** There are so many different kinds of entities that we support. The funding for that centre was always time limited. It was established as a not-for-profit, intended to be able to find sustainment funding in the future. The agreement runs until the end of 2022-23, which it always was going to, and we will not be pulling back on our commitment. The commitment remains until the end of that time-limited agreement.

**Mr PATTERSON:** Can the minister advise if there will be an evaluation of the Australian Cyber Collaboration Centre's contract at the end of this contract period?

**The Hon. S.E. CLOSE:** Yes, indeed, there will be an evaluation towards the end, but the chief executive has just advised me that in fact there is ongoing evaluation of performance. The one towards the end will be retrospective—how did this project work and so on—but there is constant evaluation in order to make sure that things are going as well as they possibly can.

**Mr PATTERSON:** Who is doing the ongoing evaluation?

**The Hon. S.E. CLOSE:** It is being undertaken by David Goodman, who is the former Chief Information Security Officer under the previous government and is now working with this department.

**Mr PATTERSON:** Will Mr Goodman also be doing the final assessment of the contract?

**The Hon. S.E. CLOSE:** It is highly likely. It seems like it has not been determined for certain, but it seems sensible.

**Mr PATTERSON:** As a confirmation of your answer, does that mean that once the contract finishes there is no funding allocated, so in terms of these budget papers and forward estimates there is no money at the moment in the budget papers post—

**The Hon. S.E. CLOSE:** It is a time-limited project, that is right, so it exists in the budget up until 2022-23, and then there is not anything on that line, but other things come on. Some projects are intended to be ongoing and some are time limited and cease, which makes budgets look bumpier than they might otherwise be.

**Mr PATTERSON:** Can the minister advise what the government is doing to maximise the opportunities for South Australia resulting from the \$9.9 billion cybersecurity funding announcement made in the March federal budget, which was intended to double the Australian Signals Directorate workforce and, importantly, have 40 per cent of the Australian Signals Directorate's expanded workforce located outside Canberra?

**The Hon. S.E. CLOSE:** I am going to invite the chief executive to respond directly to that so that I do not lose anything in the translation.

**Mr REID:** We have as a department responsibility for the Hi-Tech Sector strategy, which includes cybersecurity development. One of the key initiatives was the establishment of the Australian Cyber Collaboration Centre. We are working through the Australian Cyber Collaboration Centre, who are actively engaged with ASD at the moment, on that funding and opportunities for South Australia. It is being led by the chair and the acting chief executive of the Australian Cyber Collaboration Centre right now; in fact, I think there were meetings last week with the Cyber Collaboration Centre on funding initiatives.



**Mr PATTERSON:** I refer to the same budget line. Has the minister invited the new federal Minister for Cyber Security, the Hon. Clare O'Neil, to visit Lot Fourteen and the Australian Cyber Collaboration Centre?

**The Hon. S.E. CLOSE:** We are yet to issue invitations, but we will invite not only Clare O'Neil but also Minister Ed Husic, the industry minister, who I have had quite a bit of engagement with before and after our elections. I think he is very enthusiastic about the work that is happening here. I just note that the Premier and I have both been to the centre on Lot Fourteen and we very much enjoyed our tour and education of what is happening there. It is really tremendous, very impressive.

**Mr PATTERSON:** Going back to an earlier answer from Mr Reid about the role of chief executives, I take the fact that there is an acting one. Can the minister advise whether the role of the Chief Executive of the Australian Cyber Collaboration Centre is still vacant?

**The Hon. S.E. CLOSE:** I understand that they are actively recruiting at present. While the chief executive has signed off on an extension for the acting chief executive, we expect an appointment to be made reasonably soon.

**Mr PATTERSON:** Is the department assisting in sourcing the chief executive to fill that role?

**The Hon. S.E. CLOSE:** The assistance being provided by the department is that the acting chief executive is a member of the departmental staff who has been seconded over there in order to keep things going. I think the recruitment process is occurring separately and seems to be being managed well, so we are hopeful there will be someone appointed soon.

**Mr PATTERSON:** Has the minister been advised of any cyber breaches or potential risks of cyber breaches?

**The Hon. S.E. CLOSE:** I have not been briefed about any specific cyber breaches for industry in the time I have been minister, that is, to the best of my knowledge and my adviser's knowledge.

**Mr PATTERSON:** Can the minister advise of any other programs outside the Australian Cyber Collaboration Centre (A3C) that the department is providing to assist industry with their cybersecurity requirements?

**The Hon. S.E. CLOSE:** There is also AustCyber, which plays a crucial role in building a globally competitive Australian cybersecurity sector, enhancing Australia's future economic growth in the digitally enabled global economy and improving Australia's sovereign cyber capabilities.

It was established in 2017 as one of six commonwealth industry growth centres and in 2019 established a national network of innovation nodes to accelerate and expand the growth of the cyber industry across the nation. The South Australian node is housed within the department, and since established has delivered and supported 98 industry events for the cyber industry in South Australia. In February 2021, AustCyber became a wholly owned subsidiary of Stone & Chalk.

I note that if you combine the efforts of A3C and AustCyber during 2021-22, including training and resources, their activities have helped increase the awareness of and resilience to cyber threats in South Australia and will continue in the coming year.

**Mr PATTERSON:** Given the enormous opportunity in cyber and also the massive risks involved to government industry, will the minister rule out any of the efficiency cuts being applied to these cyber programs?

**The Hon. S.E. CLOSE:** I agree with you about its importance, but I am not going to prejudge and constrain the decisions that will be made by the chief executive. He will make them sensibly and appropriately.

**Mr PATTERSON:** Going back to the efficiencies in Budget Paper 5, page 87, can the minister advise whether the Research Innovation Fund will continue?

**The Hon. S.E. CLOSE:** It will continue.

**Mr PATTERSON:** Will there be any changes to the criteria proposed for the Research Innovation Fund?

**The Hon. S.E. CLOSE:** There may well be, but that is still being contemplated.

**Mr PATTERSON:** Would the Research Innovation Fund be part of potential efficiency savings?

**The Hon. S.E. CLOSE:** It may well be, but it will not be discontinued. It is about making sure that we are reprioritising to fit the new government's agenda, as well as being able to deliver efficiencies in order to fund the legitimate expectations of the South Australian community as a result of the election. We also need to make sure that we are focusing on the direction that is appropriate for the times and for the new government. As I say, with a \$100 million economic recovery fund in play, we need to make sure that we are not doubling up and being inefficient or wasteful.

**Mr PATTERSON:** Can the minister advise whether the South Australian Venture Capital Fund will continue?

**The Hon. S.E. CLOSE:** That fund is held in Treasury, so that will be a decision for the Treasurer.

**Mr PATTERSON:** Are there any other grant programs that will be put in place to support entrepreneurship and research?

**The Hon. S.E. CLOSE:** Probably the most substantial one that I am pretty excited about is the \$4 million work with Tonsley to work with Factory of the Future to facilitate smaller companies being able to research and trial new approaches and new technologies to be able to participate more in the defence sector.

We know that the ideal path for investment in defence's industrial program is that much of the big work is captured, such as building a submarine, just as an example, on site in South Australia and, importantly, that the work cascades through a supply chain where the components and the services are able to be supplied by South Australian companies.

Having a predominance of small businesses in South Australia (something like 98 per cent of the businesses in South Australia are classified as small), we need to ensure that we are offering the kind of support that lifts their capability to even be able to bid into being part of the supply chain and then to be successful in winning. That funding is targeted specifically at assisting those companies to be ready, particularly in the manufacturing supply chain.

**Mr PATTERSON:** I refer you to Budget Paper 4, Volume 3, page 169, objectives. Can the minister advise if you intend retaining the role of the South Australian Chief Scientist?

**The Hon. S.E. CLOSE:** Yes, I do.

**Mr PATTERSON:** Can the minister advise if there will be any changes to the role of the Chief Scientist?

**The Hon. S.E. CLOSE:** It is always possible; particularly in an area like industry, innovation and science you would expect innovation and change to occur. I would never rule out any changes in the future. It is an honour to work with Professor McMillen, and to have a portfolio that includes the Chief Scientist is slightly overawing for someone who has a Bachelor of Arts and so on. It is extremely important to me that we show a huge amount of respect to the role that she plays and that any changes be done in a manner that may indeed be suggested by her as much by anybody else.

**Mr PATTERSON:** On the same budget line, can the minister advise if there have been any changes to the funding of the Office of the Chief Scientist?

**The Hon. S.E. CLOSE:** There are no changes at this point.

**Mr PATTERSON:** Going back to Budget Paper 5, budget initiatives, page 88, the EXCITE program, it says that the program will be cut. Originally, there was a BioMed City intermediary. Can the minister advise if the BioMed City intermediary will be continuing?

**The Hon. S.E. CLOSE:** Yes, indeed it does continue. The change is to not create any additional.

**Mr PATTERSON:** Can the minister advise what the basis was for stopping this program?

**The Hon. S.E. CLOSE:** It is the basis of stopping any program. It is always difficult. I am sure the member knows, having been a minister himself, that reprioritisation has to occur. Our sense was that, with generating sufficient funds to do the government's priorities, including the Economic Recovery Fund amongst other priorities, that was one that we were able to enjoy the fruits of the work that had occurred but not need to establish any more.

The project I described earlier at Tonsley I think is a really suitable successor of being an intermediary, in the sense of being able to bring together businesses with university and with big primes in defence and being able to lift capability, so it seemed it was an appropriate one. As I say, no minister ever wants to cut anything, right, but we live in the real world.

**Mr PATTERSON:** Relating to that same budget line, can the minister advise what provisions will be put in place to ensure that patents developed in South Australia do not go offshore and that product development is patented and developed here in South Australia so that South Australian investors are able to invest in them?

**The Hon. S.E. CLOSE:** That is not a role that government sees itself taking, protecting the intellectual property of a company, which is properly the responsibility of the company or the research institution. We are of course responsible for protecting our own IP. However, it is a legitimate area for discussion because it can cause an interruption in the commercialisation of research should that research escape and not be sufficiently protected.

It is a legitimate question to ask, but not one that has a focus of attention from the state government at this stage. I am not sure if it occurs in any other state but, having had it raised, it is probably something I will take a little bit of interest in to see whether there are ways that that can occur interstate, just out of interest.

**Mr PATTERSON:** Knowing that is the intent of the question, can the minister advise if the government has any targets for research and investment?

**The Hon. S.E. CLOSE:** I am being advised that under the previous Labor government we did have targets for research and development. As I understand it, that did not exist for the last few years, so we do not have any targets that we have established since March. However, I am aware that, although South Australia has higher than average research and development as a whole, it has lower than average investment for Australia's research and development by private business. Therefore, perhaps establishing a target, if it is accompanied by effort and an attempt to lift capability, might be worthwhile, but it is not something I have yet turned my mind to.

**The CHAIR:** The allotted time having expired, I declare the examination of the proposed payments for the Department for Innovation and Skills and Administered Items for the Department for Innovation and Skills complete, and I refer the proposed payments to committee B for further examination.

*Sitting suspended from 15:46 to 16:00.*

## **DEFENCE SA, \$13,499,000**

### **Membership:**

Mr Pederick substituted for Hon. J.A.W. Gardner.

Mr Telfer substituted for Mr Pisoni.

**Minister:**

Hon. S.E. Close, Deputy Premier, Minister for Industry, Innovation and Science, Minister for Defence and Space Industries and Minister for Climate, Environment and Water.

**Departmental Adviser:**

Mr R. Price, Chief Executive, Defence SA.

**The CHAIR:** This is the portfolio of Defence SA, Space Industries. The minister appearing is the Minister for Defence and Space Industries. I declare the proposed payments reopened for further examination. I call on the minister to make a statement if she wishes and introduce her adviser. I also call on the lead speaker for the opposition to make a statement if he so wishes or go straight into questions.

**The Hon. S.E. CLOSE:** I do not have an opening statement. Thank you very much to the agency, Defence SA, which does incredible work. It has been a genuine delight to get to know the staff there. My only adviser is Richard Price, the Chief Executive of Defence SA. I am available for questions.

**The CHAIR:** Which agency? Is that Defence SA and Space?

**The Hon. S.E. CLOSE:** Defence SA. I am the Minister for Defence and Space Industries but the agency is called Defence SA, which also includes our space effort.

**Mr PATTERSON:** I will not make an opening statement, except to say thank you also to the department for their work in preparing for today. Minister, I refer you to Budget Paper 4, Volume 1, page 160, highlights. In the 2021-22 financial year, there was a previous plan for the workforce in defence that included a defence jobs attraction campaign aimed at attracting qualified, skilled and experienced professionals, technicians and tradespeople to South Australia to ensure a suitably skilled workforce is available to meet the demands of the naval shipbuilding industry.

With the impacts of COVID, there certainly has been a level of disruption to a number of activities across government over that year—no doubt including this. Can the minister provide an update on this defence jobs attraction campaign and if this campaign has been able to be completed?

**The Hon. S.E. CLOSE:** Just as a bit of context setting, it is increasingly apparent that the greatest constraint on the future growth of South Australia's defence industry and indeed other industries also is the availability of an appropriately skilled workforce.

The South Australian government, in partnership with the defence industry, the Australian government and our local education institutions, is committed to supporting and developing the state's defence industry workforce through several initiatives across government. The Find Your Place campaign is aimed at educating the South Australian future workforce and their influencers about the vast range of opportunities in South Australia so that they consider their study pathways and align them with a lifelong career in South Australia's defence industry.

The Make Your Move campaign is aimed at attracting national skilled workers with more than five years' experience in their fields to South Australia to live and work in the defence industry and close the gap between the future workforce being job ready. From project management to combat systems engineering, contracts management to information technology, supply chain to WHS, marketing and communications to logistics, South Australia is offering exciting lifelong careers.

The shipbuilding projects alone will see up to 5,000 people employed by 2030 and the work the state is doing will ensure the workforce is ready to deliver the projects on time, notwithstanding the challenges that the member referred to with COVID.

**Mr PATTERSON:** Specifically with regard to that defence jobs attraction campaign, money was allocated in the 2021-22 year and \$500,000 notionally. Can you provide an update on that specific campaign? Was it able to be completed? Was there money carried over to continue it?

**The Hon. S.E. CLOSE:** I will invite the chief executive to respond.

**Mr PRICE:** The Make Your Move and the Find Your Place campaigns are basically for two lines of effort that are funded out of that funding. We have completed a couple of phases of those. The other part of the initiative was designed to go and recruit people from overseas. Because of COVID, we have carried that funding forward.

**Mr PATTERSON:** To confirm, minister, that will be able to continue to reach completion?

**Mr PRICE:** We are running another round of the Make Your Move campaign, which I think has already been launched through the social media channels that we use for that. So that is ongoing and will go on until Christmas. As I say, we have carried forward the Make Your Move campaign. Clearly, until we have some visibility of some future decisions at a commonwealth level, working out where to apply those efforts to attract people from overseas is yet to be determined.

**Mr PATTERSON:** With the current rounds of the Make Your Move campaign, how many people have been recruited?

**Mr PRICE:** Can I take that on notice?

**Mr PATTERSON:** Yes.

**Mr PRICE:** The way we measure this is the level of engagement that we have through social media with likely people and then we follow that through to individual companies. They tell us how many they have attracted through our efforts. What we do not obviously know is what the total number is, because not all companies report to us, but we can certainly give you some information on the ones we have.

**Mr PATTERSON:** Was the other program Find Your Place? Have I written that down correctly?

**Mr PRICE:** Yes

**Mr PATTERSON:** Would you be able to provide information—

**The CHAIR:** I just remind members that questions are to the minister.

**Mr PATTERSON:** I have been courteous. I was going to finish with, 'I will put that to the minister first,' but thank you for the reminder. Can the minister advise how many people have been recruited via the Find Your Place campaign?

**The Hon. S.E. CLOSE:** I will refer that question to the chief executive.

**Mr PRICE:** We will take that on notice and provide exact information on the numbers.

**Mr PATTERSON:** Thank you. Again going to workforce attraction—and you touched on this before, minister, but we will flesh it out a little bit further—now that international borders are open again, what plans does the minister have to push ahead with utilising the Designated Area Migration Agreements (DAMAs) that are pertinent to defence?

**The Hon. S.E. CLOSE:** Obviously, that workforce program sits with DIS, but you are specifically interested—I am not blocking the question by any means—in that association with the defence industries. The way in which it works is that Defence SA will advise DIS what it believes are the categories and numbers required and then that goes into the application process to the commonwealth government for allocation.

**Mr PATTERSON:** Can the minister advise on the number of people who have been nominated via your department, Defence SA, to partake in this DAMA?

**The Hon. S.E. CLOSE:** Are you asking for the 2022-23 year?

**Mr PATTERSON:** No, for the 2021-22 year, because the question is how many have you nominated.

**The Hon. S.E. CLOSE:** Right, but we nominate for the subsequent year, I assume, so that we have nominated now for this coming year; is that what you are asking?

**Mr PATTERSON:** Yes.

**The Hon. S.E. CLOSE:** Probably to clarify the way in which I answered the question last time, Defence SA does not give a precise number that it is expecting. It gives the job categories that then sit within the total number that is applied for through DIS and, we hope, allocated by the Australian government. Then it is on a first come, first served basis.

Basically, if the categories that have been nominated by Defence SA fill up earlier, then you can have more of them and so they have identified the areas that they would like. I can say that DIS is applying for a higher number of skilled migrants overall than the previous year. Recognising that now COVID is no longer constraining international travel, although obviously as a pandemic it is far from over, we are hopeful that we will be able to get more qualified staff in and I am hopeful that that will service some of the requirements in the defence industry.

**Mr PATTERSON:** Is the minister able to provide the list of those job categories from Defence SA?

**The Hon. S.E. CLOSE:** We will take that on notice.

**Mr PATTERSON:** Can the minister also provide the workforce numbers required to be filled?

**The Hon. S.E. CLOSE:** We can give our best estimates of the expected gaps or requirements, yes.

**Mr PATTERSON:** On the same budget line, Budget Paper 4, Volume 1, page 160, again in targets, what other plans does the minister have to attract qualified, skilled and experienced professionals, technicians and tradespeople to South Australia to ensure a suitably skilled workforce is available to meet the demands of the naval shipbuilding industry?

**The Hon. S.E. CLOSE:** Obviously the effort to have skilled workers for any industry—we are talking specifically about defence here—is a serious effort that requires significant workforce planning, which is the kind of work that I am expecting Industry, Innovation and Science to undertake, in cooperation with Defence SA, on defence workforce planning.

There are a variety of ways in which we can build a more skilled and experienced workforce, including the introduction of STEM labs in schools, which started several years ago, and now with our election commitment to establish five technical colleges in high schools to encourage and facilitate young people who would like to enter apprenticeships to be able to do so and find that an attractive option, rather than an option of last resort, which I think unfortunately it has often become in high schools in recent times. They are ways in which we can encourage younger people to both be interested in science and be interested in professions that require more hands-on work as well as appreciate literacy, numeracy and science.

Then there is the work that needs to be done now with the Department for Education in the management of the VET system and, of course, working with the universities to make sure that they have sufficient information about where there are likely to be job opportunities and internships to attract students to study and have the opportunity to work. We also need to be working with the existing workforce and their capabilities that might be applicable to an industry that has the skills gap, such as defence.

It has been interesting to me in the last couple of months of coming into this portfolio that the lure of space is often more powerful for younger people than defence. I guess that is not surprising: space seems very exciting and so young people who have that cast of mind, that scientific and mathematical cast of mind, are attracted and want to think about ways in which they can get an education to work in that field.

The skill set is highly applicable across into defence as well, and so often is a pathway for young people to move between the two. In fact, the two obviously have huge overlaps. The fact that we have the Australian Space Agency here, that we have an increasing industry in space, will also be useful for helping over time to have skilled workers and experienced workers who might move over into defence at a time when there is work of interest to them.

**Mr PATTERSON:** We have talked about trying to attract staff. This might be similar, but could you give some nuance. What plans does the minister have to retain said qualified skilled and experienced professionals in the defence industry considering, as you have said, there are other

adjacent industries you could attract them from? Similarly, those industries can also look to use defence personnel to grow. They also have projected shortfalls, which you mentioned previously, in the order of thousands over the next five years. What plans does the minister have to retain these qualified and skilled defence professionals?

**The Hon. S.E. CLOSE:** It is a matter of some complexity as we are not the employers and it is a competitive market for people with skills and experience. This will be a major feature of workforce planning as a state, as a nation and in the developed world for some time to come.

One way in which defence can attract and retain people more is through certainty in the offering. It has been externally unhelpful, for example, for the submarines project to come and go, come and go. Kids in LeFevre High School, where they do a subs program as part of its being a maritime high school, have seen, 'Yes, I am going to be making subs or sustaining the Collins. Is sustainment going away? Is it a French sub, or is it not a French sub? Are we going to be building it here, or are we not?' That kind of stability—if we can create more certainty for ongoing work and therefore for a career progression—will assist in retaining people and allowing them to move up.

That said, I do not want to overemphasise the coming and going of the subs project. It is significant, but it is by far not the only project we have in South Australia, and there is a high degree of certainty. Probably the way in which it is reported in the media as much as anything else has created a sense of: 'Is this an area in which I can foresee a long-term career?' If we can achieve greater stability in reality and also in how we talk about and describe defence, I think that will assist.

**Mr PATTERSON:** I refer to the same budget line. As we talked about, it is not just about the submarines; many big defence projects are happening in South Australia. Most of the big defence primes are set up here. Has the minister met with any of the defence primes to discuss their workforce planning and needs; if so, can the minister list the defence primes she has met with and the outcomes of those discussions?

**The Hon. S.E. CLOSE:** I have met with some primes and with a lot of smaller companies that supply to primes. Given that we are now in the over seventh hour of my sitting here in estimates, I am not going to try to recall each of the primes. I am very happy to supply the list, but I just fear offending by forgetting one, so I will defer that if I may.

Absolutely, it has been one of the priorities for me, not having held this particular part of the portfolio in opposition; it was held by my leader. I have been at pains to catch up quickly in that relationship, not only to know the organisations and the people involved but also to better understand the dynamics of that particular industry, as opposed to general manufacturing, which I have greater familiarity with. I have had people in and I have been out.

I missed going to the Indo-Pacific event in Sydney. It was my great opportunity to catch up with everybody, but I got COVID—although, as I understand it, I probably would have got it there had I been there because lots of people did. Unfortunately, I was felled on Kangaroo Island and spent that week in bed. I am working assiduously to meet with as many as possible and, indeed, went to the event the week after when they all came back and had an event to celebrate the experience of Indo-Pacific.

I went to that in order to meet as many as possible, including several of the primes who addressed the group who were assembled. To your larger point, though, they do recognise that they have a workforce challenge, and that has been part of the discussion.

**Mr PATTERSON:** Would you be able to also take on notice those South Australian companies? You said there were small SMEs that supply into the primes, so as part of the list could you also include those you have met?

**The Hon. S.E. CLOSE:** And the longer I wait to reply the longer the list will be.

**Mr PATTERSON:** There you go—yes, true. You have until September to do so. Continuing on with workforce attraction, we have talked about attracting and retention and also improving awareness of future job opportunities. I think you touched on that briefly, but could the minister advise what the government is doing to improve awareness of future job opportunities in defence and also in space and cyber industries?

**The Hon. S.E. CLOSE:** I already mentioned the Find Your Place program at the beginning. Obviously, that is the big effort to have South Australian people consider this as a place they might train for and work in. Students are invited to attend events that we hold, such as a space forum or yesterday's Aerospace and Information Warfare Forum event, which I addressed in the morning. Although largely it is for businesses to showcase to each other and to the primes—I think the Navy was there yesterday—having students there is starting that supply chain of people.

It is not just a supply chain of components; it is a supply chain of people. The younger ones go around and have a look and see if that is what they would like to do. There are a number of ways in which we try to ensure that people are aware of this as an opportunity. There are also defence scholarships for students studying at university, which were started by the previous government and will be continued by us, to encourage students who are considering what to do at university to undertake courses associated with being skilled in the defence industry.

**Mr PATTERSON:** I refer to Budget Paper 4, Volume 1, page 160, the South Australian nuclear-powered submarine task force. One of the first initiatives by the commonwealth government regarding their intention to build nuclear-powered submarines, based on either the US or the UK design, was to establish the commonwealth government's Nuclear Powered Submarine Taskforce in September 2021.

In response to this, the former Liberal state government established the South Australian nuclear submarine task force, which was announced in February of this year. Can the minister please advise on the progress of what is being done in regard to establishing the South Australian nuclear submarine task force?

**The Hon. S.E. CLOSE:** Rather than have the information relayed to me and then relayed to you, I will invite the chief executive to answer the question.

**Mr PRICE:** We have started recruiting people into the nuclear-powered submarine task force. The first member of the task force has been working for a couple of months now. Their focus is identifying all the state legislation that might be impacted by an effort to build nuclear submarines on the peninsula. That work is ongoing, and we are expecting them to report back soon on initial findings. Obviously, that is information we will be sharing with the commonwealth to assist them in their efforts.

We are also in the process of engaging people to look into the community engagement side of things. Clearly, taking people on this journey is incredibly important, so we are in the process of selecting somebody to undertake that work. There are another couple of positions that we will fill in the course of this year as decisions from the commonwealth start to emerge.

**Mr PATTERSON:** One of the objectives at the moment is to work out the legislation requirements and another is in terms of engagements. Are there any other objectives of the South Australian nuclear submarine task force that you have at the moment?

**The Hon. S.E. CLOSE:** The task force is intended to work closely with a number of state government agencies alongside local industry and local government representatives. The focus areas that they are looking at are safety, environmental protection, facilities and infrastructure, industrial base capacity and also workforce.

**Mr PATTERSON:** Can the minister advise what government agency will be participating and attending meetings of the South Australian nuclear powered submarine taskforce?

**The Hon. S.E. CLOSE:** We have the beginnings of a list between us, but if we take it on notice you will get the comprehensive list. It is the ones that you would expect, though: EPA, transport and infrastructure, innovation and industry.

**Mr PATTERSON:** Can I also ask, minister, if you are taking it on notice, are you able to also advise the roles of each of those government department representatives who participate and attend these meetings?

**The Hon. S.E. CLOSE:** If they are so defined. It might be that they are all coming together and there is the list and focus areas and they will just contribute as they see appropriate. It may not



be defined as, 'EPA is only here because of.' One would understand why the EPA would be there. What we have, we are happy to share.,

**Mr PATTERSON:** The Budget Measures Statement at page 23 talks about not only the operating expenses but also the full-time equivalents. It is scheduled to have three FTEs assigned to this task force. Some of the explanation around what those roles might be was given in a previous answer. For clarity, can you advise that these full-time equivalents will be separate from the government agency representatives?

**The Hon. S.E. CLOSE:** Those three are new FTEs; whether they come on as ongoing staff or as contractors is a bit of detail, but they are not the agency representative.

**Mr PATTERSON:** I am glad you clarified that. I thought that, but I did not want to assume. Will these three FTEs be based in Defence SA?

**The Hon. S.E. CLOSE:** Yes, they will.

**Mr PATTERSON:** Can the minister advise how many of these staff have been employed to date for the South Australian nuclear submarine taskforce?

**The Hon. S.E. CLOSE:** One already and one is in the process of being recruited.

**Mr PATTERSON:** Is the minister able to advise what their job titles or classifications are?

**The Hon. S.E. CLOSE:** I probably have to take that on notice. We could give you just what they do, but if you would like the title you need to wait. It is up to you.

**Mr PATTERSON:** Can the minister advise how many times the South Australian nuclear submarine taskforce has met?

**The Hon. S.E. CLOSE:** They meet because they are all together in the same office. I may have misunderstood your question. Do you mean with the commonwealth?

**Mr PATTERSON:** No, just as a body, as a group. They have regular meetings?

**The Hon. S.E. CLOSE:** They spend time together.

**Mr PATTERSON:** Do other department representatives come along and attend as well? When I say 'in a meeting', I mean not just the three staff, of which there is one at the moment, but all the government—

**The Hon. S.E. CLOSE:** Constantly in session with himself or herself.

**Mr PATTERSON:** Are there formal meetings and how many of them have there been?

**The Hon. S.E. CLOSE:** I will hand it to the chief executive to save time.

**Mr PRICE:** At this stage, there have been one-on-one meetings with the departments, particularly with the EPA, but we have yet to set up a formal tempo of meetings. They may not be necessary in the same way that we have had the space task force. It may well be that we can manage this through one-on-one meetings rather than a more formalised committee structure.

**Mr PATTERSON:** Minister, is it the intention that you would also sit in on any of these meetings for the South Australian nuclear submarine task force?

**The Hon. S.E. CLOSE:** I would not expect to sit in on any meetings, but I would expect to receive reports when that is appropriate and necessary for the functioning of the task force.

**Mr PATTERSON:** Minister, your interaction with the task force would be via the chief executive, Mr Richard Price, as opposed to you meeting with members of this task force?

**The Hon. S.E. CLOSE:** Yes.

**Mr PATTERSON:** I refer to the same budget line and the same topic around the submarine task force. Has the minister had meetings with the commonwealth government about the nuclear submarine program?

**The Hon. S.E. CLOSE:** Have I had meetings with the commonwealth government about the nuclear submarine program? No.

**Mr PATTERSON:** Has the minister met with or discussed the nuclear submarine program with the new federal Minister for Defence, the Hon. Richard Marles, since the federal election?

**The Hon. S.E. CLOSE:** No.

**Mr PATTERSON:** In the same vein, has the minister had meetings with the new federal Minister for Defence Industry, the Hon. Pat Conroy, since the federal election?

**The Hon. S.E. CLOSE:** No.

**Mr PATTERSON:** I refer to the same line and item with respect to the Submarine Taskforce. Can the minister advise how the South Australian nuclear submarine task force is able to provide effective representation into the federal nuclear submarine task force to ensure that the announced nuclear submarines will be built in South Australia?

**The Hon. S.E. CLOSE:** The task force at the state level is interacting directly with their counterparts in the commonwealth task force. The question suggests that their task is to ensure that we get the work. Certainly, the goal is to get as much work as possible, but they are there to make the best case, to give the best information and also to prepare us in the best way possible.

A decision will emerge at the commonwealth level and will be the subject of much discussion, I am sure, once it comes out. At a political level, we do have a role to play in advocating for our state and our state's capability. How many weeks has it been since the federal election? I am yet to get into the Hon. Richard Marles' calendar.

I can assure you that the Premier is very alive to the responsibility we collectively have to discuss this with the Prime Minister down. He has already been over to Canberra, obviously, for the meeting with the national cabinet—I am not sure whether it is still called national cabinet but that entity—and has had numerous meetings around that. Rest assured that we are live to the obligations and responsibilities that we have at the political level to advocate for this state.

**Mr PATTERSON:** As we know, minister, South Australia is yet to choose which of the US or UK submarine designs will be the one selected, but the reactors of both these submarines are based on highly enriched nuclear fuel that will not need to be replaced for the expected 30-year life of the boats. Can the minister advise whether the task force is looking into the risks associated with constructing nuclear submarines here and what the legislative framework would need to be?

**The Hon. S.E. CLOSE:** The short answer is yes. Quite a few of the focuses that were referred to naturally encompass the question of the nuclear content of the submarines, including legislative, environmental, and worker health and safety implications.

**Mr PATTERSON:** At this stage, can the minister advise whether she sees any barriers to constructing the nuclear submarines in South Australia?

**The Hon. S.E. CLOSE:** We want to be able to put these submarines together and supply as much of the kit involved as possible, as many of the components as possible and as many of the services required as possible. We want to be able to sustain the submarines to the extent that we can, and we are doing everything we can to make ourselves available.

There is a complexity with the nuclear component, and we will work around what constraints that implies, but that will take some time to evolve through the Australian task force, what role Australia has to play, which kind of submarine we are talking about, and then translate that down to where each individual component will fit.

**Mr PATTERSON:** Is the minister fully supportive of having the nuclear submarines built here in South Australia?

**The Hon. S.E. CLOSE:** I am fully supportive of us doing as much work as we can within necessary constraints.

**Mr PATTERSON:** Can the minister also advise what efforts are being made to work with industry to develop safeguards and procedures around nuclear submarines being built in South Australia?

**The Hon. S.E. CLOSE:** That is a little bit further away, with the national task force not yet having reached that point. That will take some time.

**Mr PATTERSON:** I will ask this question, which is in a similar vein: can the minister advise whether the South Australian nuclear task force is looking at skills development in the university sector, in TAFE and in other trades? I will ask a separate question, but just that for now.

**The Hon. S.E. CLOSE:** Is the Australian task force looking into the skills component?

**Mr PATTERSON:** No, the South Australian.

**The Hon. S.E. CLOSE:** Yes, it is; that is right. As we described earlier, the skills shortage is very much on our mind.

**Mr PATTERSON:** A question in the same vein: is the minister able to advise whether the South Australian nuclear submarine task force is looking at how to support and improve STEM skills development in the secondary schools system in terms of physics, especially nuclear?

**The Hon. S.E. CLOSE:** It is probably a question that is better answered by the Minister for Education. As I described earlier, having the STEM facilities going into both primary schools and high schools has I think refocused people's minds on the importance of STEM for education.

When we rolled that out, it was not just about having the places, the STEM labs themselves, but about having a STEM strategy that was wrapped around that, improving the capability of existing teachers, bringing on teachers with those skill sets and making sure that we were reaching students who might otherwise not consider STEM. Particularly girls at a certain age unfortunately tend to drift away from the mathematics and engineering style of study.

There is a challenge in secondary education with enough students doing the complex mathematics and physics that would best prepare them to work in this field. I know that I am talking to someone who probably did extremely well in those subjects at school and certainly did at university, but that is not a sufficiently common experience for our liking.

That is an Australia-wide challenge the education ministers are addressing and it is not just for the defence industry. If we are going to have a more complex economy that relies more on people's capacity to design and build innovative products and services, then we are going to have to do better in that. I think we are doing better, but nowhere near well enough.

**Mr PATTERSON:** I have one more question in regard to this. The federal nuclear submarine task force is scheduled to report back in the range of 12 to 18 months. Can the minister advise whether the South Australian nuclear submarine task force will continue on an ongoing basis, even after this federal task force has reported?

**The Hon. S.E. CLOSE:** It is not possible to be certain because we do not know what they are going to come up with. What we need to do is have the right institutional response to maximise our opportunities as a state and if that is in the form of a task force, fine; if it is something different, we will do that.

One of the great advantages in South Australia, as I understand it, in the way in which we have been able to secure a lot of defence work, and incidentally the space industry, has been the agility, flexibility and competence demonstrated in the Defence SA agency and, generally, as a government, being light of foot and alive to opportunities. I am not going to decide now what will happen in the future. We will make the best possible decision we can.

**Mr PATTERSON:** I want to move on to another area of the budget. If we go to Budget Paper 4, Volume 1, page 163, regarding the Australian Space Park, the Space Park has looked at having space companies co-locate there with a Common User Facility as well. Adelaide Airport has been identified as a prospective location for this Australian Space Park. Minister, have you spoken to Adelaide Airport in relation to the Australian Space Park?

**The Hon. S.E. CLOSE:** Although I like to think of myself as all things space, in fact it is the Department for Trade and Investment that is engaging with Adelaide Airport on that.

**Mr PATTERSON:** That is fair enough. Of those tenant companies, which include Fleet Space, Q-CTRL, ATSpace and Alauda, has the minister been able to meet with Fleet in regard to the Australian Space Park, and do they still remain interested as a tenant?

**The Hon. S.E. CLOSE:** Obviously, commercial discussions are going on with Renewal SA and Trade and Investment, but my understanding is that all the original partners remain very engaged.

**Mr PATTERSON:** On that, have you had a chance to meet with Q-CTRL, which is a highly prospective company based in New South Wales, to discuss their setting up an office and their presence here in South Australia?

**The Hon. S.E. CLOSE:** I have in fact met with Q-CTRL. I met with them on a brief visit I had to Sydney on another portfolio matter and challenged them to explain what quantum means, which I am not going to explain here but, if we have a discussion around at the bar later, I will try. They are an incredibly impressive organisation. What I had not appreciated fully was the way in which Australia has been leading in quantum. We may not continue to; it is always in peril when you are leading, but it has been a very attractive place for experts from around the world to come and locate here in Australia because we are the centre for quantum. So, yes, I have met with them.

**Mr PATTERSON:** Since you have become minister, are you aware of any other companies interested in becoming tenants at the Australian Space Park?

**The Hon. S.E. CLOSE:** There is actually quite a lot of interest, but we would not want to go into specifics about who is expressing that interest at present.

**Mr PATTERSON:** Certainly. I can understand that. In regard to the objectives of the Australian Space Park being around manufacturing satellites and doing it at scale, now that the minister has had the opportunity to speak with some industry players, have you been able to get an understanding of the size of the satellites they are looking to manufacture at the Australian Space Park, especially in light of the \$40 million that has been committed by both the state and federal government to the Common User Facility?

**The Hon. S.E. CLOSE:** Sorry, what was the question in that?

**Mr PATTERSON:** The size of the satellites, have you had discussions around payloads and the size of the satellites?

**The Hon. S.E. CLOSE:** Again we are doing the relay, so I will ask the chief executive to answer directly.

**Mr PRICE:** We are not sizing the Space Park purely for the needs of the existing tenants: we are looking at what the needs of the future industry will be in this area. There has been ongoing consultation with industry over probably the best part of two years to get that right. I think it is on the public record that the Space Agency and the Department of Defence are looking to grow our industry to be capable of building satellites in the 350 to 400-kilogram class, so clearly we are bearing that in mind when we design the eventual fit-out for the facility.

**Mr PATTERSON:** I was led to believe that similarly. As was made clear, the Australian Space Park is envisaged as a Common User Facility, not just for these four tenants but also for the wider space industry, aimed at utilising state-of-the-art space manufacturing equipment. Has the minister consulted with stakeholders and industry to determine the type of equipment to be placed in the Common User Facility?

**The Hon. S.E. CLOSE:** I think those discussions are ongoing to make sure that we are futureproofing.

**Mr PATTERSON:** Has the minister consulted with any of the defence primes in relation to what facilities they might expect or wish for at the Australian Space Park?

**The Hon. S.E. CLOSE:** Again, those discussions are ongoing.

**Mr PATTERSON:** Regarding the Australian Space Park, can the minister provide an update on when construction may commence for the Australian Space Park?

**The Hon. S.E. CLOSE:** Given the negotiations are live at present, we will not answer that question just yet.

**Mr PATTERSON:** I can understand that. I will watch with interest. I may have to ask it at the next estimates.

**The Hon. S.E. CLOSE:** We may have to invite you to the opening, you are showing such great interest.

**Mr PATTERSON:** I would appreciate that. That would be fantastic. Can the minister explain in terms of the actual operating model itself whether you have had discussions around—Budget Paper 4, Volume 1, page 163 describes a sustainable operating model for the Australian Space Park. What does the minister mean by a sustainable operating model?

**The Hon. S.E. CLOSE:** I will ask the chief executive to answer.

**Mr PRICE:** In relation to the South Australian Space Industry Centre, on which Defence SA takes the lead, the negotiation process is still within Trade and Investment. However, Trade and Investment, with our support, has been running an EOI process to actually establish an operating model. There was public consultation over the last few months, with responses from industry and other players on what they would like to see in that operating model. That will now go forward into a process that will narrow down those operating models. Government will then make a decision on what operating model it wishes to go to market with. I envisage that will happen during the course of this year.

**Mr PATTERSON:** Very recently, it has been announced that out of New South Wales there are plans to develop what they refer to as an Australian satellite manufacturing hub, which is again part of the modern manufacturing initiative, which the Australian Space Park was successful in also bidding into. This New South Wales version has companies such as Electro Optic Systems, UTS Tech Lab and Gilmour Space. They have collaborated with their government. What is the minister doing to ensure that we still retain first mover advantage and keep attracting investment and manufacturing to our Australian Space Park?

**The Hon. S.E. CLOSE:** Our expectation is that a model of having a Common User Facility that any companies can come along and use will be an ongoing advantage. Although we do not have direct line of sight into the way in which others are designed, our understanding is that they are far more tightly controlled and therefore possibly less attractive.

**Mr PATTERSON:** Referring to Budget Paper 5, page 23, the budget initiatives, the efficiency cuts, the operating efficiencies target reduction of \$233,000 per annum for 2022-23, increasing to \$417,000 from 2025-26, can the minister advise where you expect the efficiencies to come from?

**The Hon. S.E. CLOSE:** The chief executive is working through that at present, but his advice to me thus far does not anticipate it being particularly problematic to look at some efficiencies in operating. We do not expect to shed staff in any numbers, if at all. We will be able to manage that efficiency dividend. It is a very modest one and part of the overall contribution to the government's efforts not only to meet election commitments but also to maintain a sound budget bottom line.

**Mr PATTERSON:** Going back to Budget Paper 4, Volume 1, page 160 mentions the success of the Defence and Space Landing Pad. COVID did make it difficult for companies to relocate or establish themselves here while borders were closed. The budget line says full occupancy has now been achieved. Does this mean that, now that borders have opened up, all the companies are actually physically located here that have been successful?

**The Hon. S.E. CLOSE:** I will invite the chief executive to answer.

**Mr PRICE:** We have effectively a conveyor belt of companies moving through the Landing Pad. Some of those have established operations within the state; some of those have moved on to other things and made other decisions. Interestingly, UK companies are now showing interest again.

In the last few months, we are seeing a bit of an uptake in UK companies, so I would envisage we will be moving more people out and backfilling those with more companies from the UK.

**Mr PATTERSON:** On the same topic, same line item, can the minister advise whether the Defence and Space Landing Pad based at Lot Fourteen will continue to be funded in 2020-23 and over the forward estimates?

**The Hon. S.E. CLOSE:** Yes, we will continue to.

**Mr PATTERSON:** Can the minister confirm the amount of funding will be what was previously allocated in the forward estimates for 2022-23 in the previous budget, which was \$375,000 and \$190,000 in 2023-24?

**The Hon. S.E. CLOSE:** The Landing Pad will continue to operate as it operates now. If it is possible to get a bit of efficiency there, rather than somewhere else, and it is a genuine efficiency, then why would not we take it? I am not going to impose anything rigid on the chief executive as a result of an estimates discussion, but there is every intention to keep the Landing Pad operating as it does.

**Mr PATTERSON:** I have a similar question but for a different program, referring to Budget Paper 4, Volume 1, page 161. Can the minister confirm whether funding for the Line Zero initiative to support the establishment of accelerated research to commercial operations, based out at Flinders, which I think you did mention before, will be continued this year and into the forward estimates?

**The Hon. S.E. CLOSE:** They remain fully funded.

**Mr PATTERSON:** On another program, Budget Paper 4, Volume 1, page 163, the SASAT-1 or Kanyini, can the minister advise if funding for this program will continue in 2022-23?

**The Hon. S.E. CLOSE:** It is fully funded.

**Mr PATTERSON:** Terrific. Can the minister advise when the manufacturing of Kanyini will be finished?

**The Hon. S.E. CLOSE:** I will invite the chief executive.

**Mr PRICE:** We are anticipating that it will be launched in calendar year 2023. We have suffered some delays as a result of component shortages due to COVID, but the program now has been through several design reviews and construction is underway. We look forward to testing it at the end of this year/early next year. A launch window has been identified that we are aiming toward.

**Mr PATTERSON:** On a similar topic on same budget paper and page, the company Southern Launch were looking to do three test launches at Whalers Way near Port Lincoln, the first of which was late last year. It got the whole way through the launch protocols, but unfortunately it had an issue with the rocket itself failing to launch. Can the minister update the committee on when the next launch will be?

**The Hon. S.E. CLOSE:** They are still waiting for their space agency licence, so although I think they are keen I do not know that they know when they will do it next.

**Mr PATTERSON:** Can the minister advise whether there is anything at a state level from an environmental point of view that is holding them up applying to this launch?

**The Hon. S.E. CLOSE:** Not for the test launch. There will be an application in train for the larger launch pad, but they have the approval they need for the test launch. From the state perspective, it is the Australian licence they need.

**Mr PATTERSON:** Fantastic, excellent. On another program, Budget Paper 4, Volume 1, page 164, the Mission Control and Space Discovery Centre, can the minister advise that the funding arrangements for both the Mission Control and Space Discovery Centre will be in this budget and also in the forward estimates?

**The Hon. S.E. CLOSE:** The original funding is preserved in the budget. Our obligation is, however, time limited.

**Mr PATTERSON:** Budget Paper 4, Volume 1, page 156, objectives, mentions 'successful' in the highlights in working to grow both the space and defence industries through sector plans. The space sector has a plan for a 10-year growth target of 5.8 per cent, so that by 2030 the space sector will contribute \$250 million to gross state product. Can the minister advise what grants or other are being planned to support this government's target?

**The Hon. S.E. CLOSE:** The effort that we are undertaking at the moment will be maintained, with the aim of continuing to grow and support the sector.

**Mr TELFER:** What grants are planned for local regional areas that support key space infrastructure, such as Peterborough, Mount Mary, Ceduna and Port Lincoln? How does the state government plan to promote space development in South Australia's regional areas to ensure there is a spread of the grant pie, I guess you would call it?

**The Hon. S.E. CLOSE:** There are not any specific grant programs such as you might imagine a proportion would go out to the regions. However, we are engaging with the regions, including a meeting recently with Port Lincoln council, to discuss how we can convey the future of the space industry to people in the Port Lincoln council region, so we are likely to do some work with them on that. There is no grant funding pool to build space infrastructure.

It has just been pointed out to me that with Kanyini there will be test kits going out to schools, and we will be specifically engaging with the regions to make sure that the kids in schools are feeling connected to that.

**Mr PATTERSON:** As a final question, I imagine, I refer to Budget Paper 4, Volume 1, page 163 regarding the Australian Space Agency. A target of the South Australian Space Industry Centre is to continue to collaborate with the Australian Space Agency to support its strategy, initiatives and activities to stimulate the South Australian space ecosystem.

Further to that, in March this year, former federal Minister Andrews tasked the Australian Space Agency to develop a unified national space strategy to shape the sector for the next two decades. Can the minister advise what the department is doing to provide input into the formulation of this strategy, which is anticipated to provide a schedule of space programs and investment opportunities for the federal government?

**The Hon. S.E. CLOSE:** The Space Agency is undertaking an engagement round. The agency, Defence SA, is engaged in that and through Defence SA is bringing in a number of industry partners who might be interested in engaging further so that the information is flowing through.

**The CHAIR:** Sadly, the allotted time having expired, I declare the examination of the proposed payments for Defence SA complete. I thank the minister and her adviser for their contributions. I also thank committee members. I now lay before the committee a draft report for Estimates Committee A. That report details what we have discussed through the whole five days.

**Mr ODENWALDER:** I move:

That the draft report be the report of the committee.

Motion carried.

At 17:01 the committee concluded.