

**HOUSE OF ASSEMBLY**  
**Monday, 3 July 2023**  
**ESTIMATES COMMITTEE A**

**Chair:**

Hon. A. Piccolo

**Members:**

Hon. L.W.K. Bignell  
Hon. D. J. Speirs  
Mr J.A. Batty  
Ms O.M. Savvas  
Ms E.L. Thompson  
Mr T.J. Whetstone

*The committee met at 09:00*

*Estimates Vote*

**DEPARTMENT FOR ENVIRONMENT AND WATER, \$152,073,000**  
**ADMINISTERED ITEMS FOR THE DEPARTMENT FOR ENVIRONMENT AND WATER,**  
**\$30,363,000**

**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 Financial Officer, Department for Environment and Water.

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

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

Mr D. Jordan, Acting Executive Director of Water and the River Murray, Department for Environment and Water.

Mr G. Pelton, Acting Executive Director for National Parks and Wildlife Service, Department for Environment and Water.

Mr B. Page, Research Officer, Principal Biosecurity Officer, Biosecurity SA, Department of Primary Industries and Regions.

**The CHAIR:** Welcome to today's hearing for Estimates Committee A. I respectfully acknowledge the traditional owners of this land upon which the committee meets today and pay our respects to them and their cultures and to elders past and present.

The estimates committees are a relatively informal procedure and, as such, there is no need to stand to ask or answer questions. I understand that the minister and the lead speaker for the

opposition have agreed on an approximate time for the consideration of proposed payments, which will facilitate a change of departmental advisers. Can the minister and the lead speaker for the opposition confirm that?

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

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

**The CHAIR:** Changes to committee membership have been notified and will continue to be as required. 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 8 September 2023.

I propose to allow both the minister and the lead speaker for the opposition to make opening statements of up to 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 on the committee may ask a question at the discretion of the Chair.

All questions are to be directed to the minister, not the minister's advisers. 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. I just remind members of that. 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 in 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 applies in 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, through the IPTV system within Parliament House and online via the parliament website.

I now proceed to open the Department for Environment and Water portfolio. The minister appearing is the Minister for Climate, Environment and Water. I declare the proposed payments open for examination. I call on the minister to make a statement, if she so wishes, and to introduce the advisers who will be assisting today, and then I will call on the lead speaker to do the same.

**The Hon. S.E. CLOSE:** Thank you very much, Chair. I will not be making an opening statement, but I will introduce the advisers. I would also ask the opposition if they would like to ask questions about biosecurity. If not, we can send the PIRSA gentleman away, as has happened previously, but if so naturally he will stay around.

I have next to me John Schutz, who is the Chief Executive of the Department for Environment and Water, and next to him is Shaun O'Brien, who is the Chief Financial Officer. Behind, I have Cate Hart, who is the Executive Director of Environment, Heritage and Sustainability, and Dan Jordan, who is the Acting Executive Director of Water and the River Murray. Behind them are Sandy Carruthers, who is the Executive Director of Science, Strategy and Corporate Services, and Grant Pelton, who is the Acting Executive Director for National Parks and Wildlife. As I say, Mr Brad Page has joined us from PIRSA to answer any questions on biosecurity should they be warranted.

**The CHAIR:** Leader, do you have a statement or questions?

**The Hon. D.J. SPEIRS:** I do not have a statement; I will just go straight into questions, thank you. My first question is referring to Budget Statement, Budget Paper 3, page 23, table 2.6, which outlines the operating expenses of the department. The department's budget was \$301 million as estimated for the financial year but expenditure ended up being \$355 million, an 18 per cent increase. Can you explain the key elements that resulted in that significant increase?

**The Hon. S.E. CLOSE:** I think I heard that this was being described as possibly a budget blowout. Knowing the department, as I am sure the leader does, this department does not blow out but did have additional expenditure that was allocated to it. There is a \$54.3 million increase in

expenditure from the 2022-23 original budget, between the budget and the estimated result. This was primarily due, first of all, to \$24 million being accounted for by the response to the River Murray flood, which includes grants to local government for levee construction works. There were also assets transferred to the Board of the Botanic Gardens and State Herbarium reflected as a donated asset expense, which makes up \$9.6 million.

**The Hon. D.J. SPEIRS:** Sorry, minister, what was the figure there?

**The Hon. S.E. CLOSE:** It was \$9.6 million. Then we have the securing the future of our metropolitan coastline project, which had a carryover from the 2022-23 original budget of \$4.6 million. There was also a higher depreciation allocation in line with the actual expenditure from 2021-22, which amounts to \$4.3 million. The Healthy Coorong, Healthy Basin commonwealth agreement was extended to June 2023, which accounts for \$3.4 million, and also implementing the Murray-Darling Basin reform national partnership agreement is \$2.8 million.

Finally, the \$20 million increase in revenue from the 2022-23 original budget is primarily due to the response to the 2022 River Murray flood, which includes the grants for the local government levee construction works.

**The Hon. D.J. SPEIRS:** With the \$24 million you mentioned towards the floods and then any future expenditure on floods, will federal funds be used to contribute towards that and offset it, so to speak?

**The Hon. S.E. CLOSE:** The allocation from the commonwealth government is being managed by Treasury. We are simply given the money to spend on the projects that we are responsible for, so I am unable to answer that question.

**The Hon. D.J. SPEIRS:** The next financial year, the budget for the department is to increase to \$344 million, which is a \$59 million increase on what was previously budgeted for in 2022-23, up 21 per cent. I am certainly not criticising an increase in the environment portfolio's budget, but can you explain that increase going forward? I should say as context that it has obviously then dropped back quite significantly in 2024-25 and 2025-26.

**The Hon. S.E. CLOSE:** There is a \$43½ million variation between the 2022-23 original budget and the 2023-24 budget. This is explained by the following:

- there is the donated assets budget—some \$17 million—which is associated with Flows for the Future and also the recovery. It is the Murray-Darling Basin associated from the commonwealth as a donated assets budget;
- there is also higher expenditure on commonwealth-funded programs, including the SRE, which is which is \$7.9 million;
- implementing the Murray-Darling Basin reform, \$3.5 million;
- constraints measures, \$2.3 million;
- in addition, there has been the heritage reform, where we in the Mid-Year Budget Review added a million dollars a year for 10 years to the heritage allocation;
- the depreciation budget realignment results in \$4.4 million;
- securing the future of our coastline, \$2.6 million; and
- there is also South Australia's contributions to the Murray-Darling Basin Authority, which is nearly \$1 million.

The leader has foreshadowed the question then of why it drops off. Of course, as will be well understood, the commonwealth comes up with allocation of funds that have seen a significant increase in last year this year. Those negotiations are ongoing, and so we expect to see projects come to an end and also new projects to start, so it is very hard to anticipate too far ahead.

**The Hon. D.J. SPEIRS:** Looking forward to the 2024-25 and 2025-26 years, the budget is dropping down to \$263 million and \$262 million in the projections for those years. That is a significant drop-off. In the last few years, let's say the last five or six years, the department's budget has sat

around \$300 million as a rule of thumb, with commonwealth funding coming in and out for those larger, usually Murray-Darling related, projects. That drop-off is quite significant. Does the minister and her department believe that may be lifted back up by Murray-Darling projects and the like coming online in those years that are not yet known in terms of the quantum and nature of those?

**The Hon. S.E. CLOSE:** There are ons and offs, and the leader is correct that the budget has tended to hover around that level. Obviously, there is no additional savings measure that has been applied this year, and there is still a saving that is left over from previous years that has to be achieved but none that has been additionally applied, so it is not about the state government reducing effort.

With the commonwealth, there are both ons and offs that are occurring that make it look like a drop. One is that the KI fires work is coming to an end—sorry, that is not necessarily commonwealth government; that is also the insurance money—and also the money coming in for the floods. So you would expect, as those projects come to an end, because those events have come to an end, that the money will reduce. On the other hand, with the Murray-Darling Basin and also with EPBC reform, there is a reasonable expectation that there will be more commonwealth money to come, but obviously it is out of my direct control, other than being an active participant in those discussions.

**The Hon. D.J. SPEIRS:** I move on to Budget Paper 4, Volume 2, Agency Statements and the beginning of the main statement for the Department for Environment and Water on page 139, which is the workforce summary. The papers indicate that the department intends to reduce staff by approximately 14 FTEs, from 1,248 to 1,233.4 during 2023-24. While that is not a significant reduction compared to perhaps other agencies, can you relate to the committee how the department intends to achieve this reduction and if there are any specific programs that at this stage are likely to be reduced to deliver the outcome?

**The Hon. S.E. CLOSE:** The main difference does again relate to those commonwealth-funded programs coming to an end. There is an expectation of reducing 14.6 FTEs from June 2023 related to various commonwealth-funded programs in the Water and the River Murray division.

**The Hon. D.J. SPEIRS:** Budget Paper 4, Volume 2, Agency Statements, page 146 has the performance indicators about the ranger workforce, and on page 144 there are the highlights of the Aboriginal rangers. The number of rangers employed by the National Parks and Wildlife Service has remained consistent at approximately 142 to 143 rangers since 2021-22. During 2022-23, the agency has employed five new Aboriginal rangers, which is welcomed. Are the Aboriginal rangers included in the total ranger headcount, or are they separate from that?

**The Hon. S.E. CLOSE:** What I have is that the figure for 2021-22 was 138 rangers, and as at 15 June 2023 there are 143 rangers, which reflects the addition of the first five of the Aboriginal rangers. I would like to point out that makes 21 per cent of our rangers being First Nations people, so 31 of the 143 are Aboriginal people.

**The Hon. D.J. SPEIRS:** To tease that out a little bit more, and the minister may want to talk this through, the government's election commitment, which we absolutely support, was for 15 Aboriginal rangers, I think, over several years. The Aboriginal rangers, is it a program that is treated any differently from the other Aboriginal rangers, the 31 per cent? It is a phenomenal achievement to have that number of First Nations people working in the National Parks and Wildlife Service. Do you treat the Aboriginal rangers coming in through the election commitment differently in terms of wraparound services, support, positioning, role, anything like that?

**The Hon. S.E. CLOSE:** The induction process and so on is the same as for any other Aboriginal ranger. The only difference is in the treatment of the funding because it is an additional amount allocated so that the numbers—and, of course, it is always difficult in these times to make sure we keep staff onboard—should go up commensurate with the additional numbers, but the experience for the rangers themselves is consistent with previous.

**The Hon. D.J. SPEIRS:** You already referred to this minister, but retention can be more complex for First Nations people in certain jobs. Is there additional support and resultant better retention rates for Aboriginal rangers through this program and more broadly through the National Parks and Wildlife Service?

**The Hon. S.E. CLOSE:** To clarify for the record, my comment was that just generally it is hard to keep staff; it was not specifically about any challenges with First Nations people. But, yes, there is additional work done with Aboriginal rangers in order to help establish their comfort in the role, including work on ensuring that they feel culturally safe and that other workers are aware of what it means to work with Aboriginal people, and also some advice and guidance on finding housing and so on, so there is an additional element of pastoral care as part of that induction process.

**The Hon. D.J. SPEIRS:** Previous budget papers from the last financial year suggest that there will be another five Aboriginal rangers employed in 2023-24. Is that still the intention?

**The Hon. S.E. CLOSE:** Yes, we are in the process of recruiting the next five. The idea is five a year until we have the fifteen.

**The Hon. D.J. SPEIRS:** Does this mean that the ranger workforce is going to roughly rise by five a year overall? It is 143 now. Is it likely to go to 148 in this financial year, or is 143 the target number of rangers positions overall? I think the budget tables say that that is the target number.

**The Hon. S.E. CLOSE:** It is indeed expected to be on top of the number of rangers there. I will just verify whether that has been reflected appropriately in the budget papers, but that is the case. Bear in mind, of course, as I mentioned earlier, that we can always lose somebody, so it is difficult to maintain numbers precisely, but it is the intention that there will be an additional five through this program.

**The Hon. D.J. SPEIRS:** In previous years, you declared a conflict in relation to the review of the metropolitan beaches replenishment program. This is just by way of seeing if I can ask the next questions or not. Is your conflict just about the review, or is it more extensive than that in terms of the management of those beaches? I have some hopefully straightforward questions about the sand carting and the cost of that.

**The Hon. S.E. CLOSE:** In my view, you are welcome to ask those questions. To clarify, the conflict is declared because the prospect of having trucks on the beach near my house was regarded by Crown as likely to affect the value of my house, so therefore any decision I was making that would say yes or no to trucks would be something that would affect my personal interests. I agreed that was a wise course to take and so I have removed myself, obviously, from the review that will make that decision but also from any decision that would be associated with whether or not sand going onto beaches right now, to maintain them, would involve trucking.

That, in terms of the operational management while we wait for the review, has been devolved to the chief executive to decide. However, there is money in the budget that relates to sand carting, and I think it is perfectly reasonable for you to ask questions associated with that, and I will seek advice from the chief executive to relay the answers.

**The Hon. D.J. SPEIRS:** Thank you, minister. I will run through these questions and, if you think any of them conflict, so to speak, feel free to decline to answer or speak to the chief executive for advice, but I think we will be okay with these.

I refer to the Budget Measures Statement on page 39, which is the beach replenishment project. Is the figure of \$7,447,000 for sand carting specifically to that West Beach and Henley Beach area; if so, what is the cost per cubic metre and how does this compare with other sand management options? I know that cost might be quite specific, so you might want to take that on notice.

**The Hon. S.E. CLOSE:** I will ask the chief executive to answer that question, given that I was not operationally involved in those decisions.

**Mr SCHUTZ:** Thank you, Leader of the Opposition, for the question. The funding in the budget of \$7 million is dedicated to sand for West Beach. So, yes, there may be times when small amounts might be used for other emergency works if we have had an extreme weather event, but that is the exception. The money is dedicated for West Beach sand.

In regard to the cost, we did see a significant increase in cost coming off the back of COVID in regard to cartage, so there has been an increase. I do not have the precise detail. I think the cost has dropped back a bit, but we would have to take on notice the precise cost comparison between earlier in the program and what we would be paying going forward.

**The Hon. D.J. SPEIRS:** Are you able to give a figure in terms of the quantum of sand being purchased for that \$7½ million?

**The Hon. S.E. CLOSE:** I will invite Cate Hart to answer that, as she is the person responsible.

**Ms HART:** Thank you very much for the question. In the financial year 2021-22, we moved approximately 200,000 cubic metres of sand to West Beach. In 2022-23, we have moved currently approximately 165,000 cubic metres of sand to manage the coast. Of that, 100,000 cubic metres has been delivered to West Beach. A range of other quantities have been delivered to Henley Beach, Henley Beach South, Semaphore Park and Glenelg North.

**The Hon. D.J. SPEIRS:** This budget measure has the one-off \$7½ million listed for the current financial year. It would probably be fair to say that it is unlikely that, given the infrastructure build for whatever solution for the beach management is arrived upon, that would be implemented this financial year, I would have thought. I am just seeking clarification on whether there are likely to be future budget measures to replenish, perhaps in the 2024-25 financial year, while a longer term solution is decided upon and implemented.

**The Hon. S.E. CLOSE:** The leader is correct, of course. Should a pipeline be the decision that comes out of the review process, then to build one within this financial year, given that we do not yet have that review, is unlikely to be completed and in itself would need to be funded. My understanding is that Treasury is well aware that this is an unfolding situation, but the commitment by this government to maintaining a flow of sand to West Beach remains undiminished, and the department understands that its responsibility is to continue to manage the sand. Where the review takes the minister who is acting in place, in cabinet in my absence, and how the finances work will be unfolding over time.

**The Hon. D.J. SPEIRS:** What is the process for determining how much sand is needed and which locations along the beaches it will be placed?

**The Hon. S.E. CLOSE:** I think that even if I did not have a conflict of interest I would ask Cate to answer that, as it is very technical question, so I will turn to her.

**Ms HART:** Thank you very much for the question. The staff of the coastal branch does annual surveys of the beach. In actual fact, we have just completed some additional surveys. We have longitudinal surveys undertaken right along the coast to determine where the beach has changed and if there is any level of the beach that has fallen. We also do random inspections on the beach, particularly after storm events and high tides.

We had beach inspections undertaken last week following the poor weather of the previous weekend. We reviewed each beach, and the particular hotspots that we understand suffer from erosion, to determine whether any rectification work would be required. At this point in time, we have chosen not to undertake any rectification work. The beach is managed comprehensively, and we believe that the sand is stable at this present time.

**The Hon. D.J. SPEIRS:** The chief executive might have mentioned this, but I did not necessarily catch it. If he did not, I will ask it now. The source of the sand during 2023-24, is that likely to be quarry sand or sand from another location?

**The Hon. S.E. CLOSE:** Again, I will ask Cate Hart to respond.

**Ms HART:** West Beach is being supplied with quarry sand. There is no other sand being moved to West Beach other than quarry sand, but we do use West Beach harbour dredging sand to top up hotspots and where there is erosion. Occasionally, we have a look at the Semaphore breakwater. We have not yet utilised that sand.

**The Hon. D.J. SPEIRS:** Thank you for working through the potential conflict there, minister. I will move on from the specific metropolitan beaches with a question on broader coastal protection across the state. The quantum of Coast Protection Grants administered by the Coast Protection Board, are you able to give that quantum for the current 2023-24 financial year?

**The CHAIR:** Sorry, leader, which budget reference is that?

**The Hon. D.J. SPEIRS:** That is going back, sorry, Chair. That is going back to Budget Paper 4 and the environment, heritage and sustainability area, which talks about working with the Coast Protection Board to sustain the coastline.

**The CHAIR:** Is that page 150?

**The Hon. D.J. SPEIRS:** Well, it could be, but also page 141 I was referring to. But, yes, it could be page 150 as well actually.

**The Hon. S.E. CLOSE:** Sorry, you have identified a line, I am assuming, while I was talking?

**The CHAIR:** Yes.

**The Hon. S.E. CLOSE:** We are going to have to take that on notice. We do not have a brief from the Coast Protection Board with that level of detail, so we will return to the house with that.

**The Hon. D.J. SPEIRS:** You may have to take this one on notice as well, but related to that is that it has been known for quite some time that the beaches around Kingston SE have been under particular pressure from the point of view of erosion and the power of the ocean in that particular area, combined with a range of other complexities and infrastructure that has perhaps been inappropriately placed along the coast over decades in that area. So, as to the Kingston SE challenges in that area, have any of the coast protection grants in the previous year focused on that area? Is there a more extensive coastal management plan being put in place between key stakeholders, the Coast Protection Board, the department and the local councils in that region?

**The Hon. S.E. CLOSE:** That is a particularly devastating example of poor development and impact on a council that cannot afford to manage it. It is too small.

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

**The Hon. S.E. CLOSE:** It is a perfect example of how we need to be very wary of developments. I have my views also about the Holdfast Shores and marina there that have had such an impact on West Beach as well many years in the past, but this is a regional example. The department has been working closely with the council and is working on a strategy and, while we are not in a position to announce any future grants, I am aware it is under consideration.

**The Hon. D.J. SPEIRS:** Thank you, minister. I will move on to native vegetation now, looking at Budget Paper 4, Volume 2, page 150 or 152, which goes through the table of activity indicators. What is the current involvement of the Native Vegetation Branch in the very significant clearance of vegetation at 104 Mount Lofty Summit Road, Crafers, in the Adelaide Hills?

**The Hon. S.E. CLOSE:** Yes, I am aware the leader has been extremely and justifiably concerned about this location, so I will go into some detail for the information of the public as well as the leader. In August 2016, September 2019 and September 2020, the department received reports from neighbouring landholders of illegal clearance at 104 Mount Lofty Summit Road. Each report was investigated by the Native Vegetation Branch and it was determined that either no breach of the Native Vegetation Act had occurred and clearance was within the legally approved footprint or the clearance was a very minor breach and the owner of the land was advised of their requirements to comply with the act.

Since December 2021, the department and Adelaide Hills Council have been working with the landholder to ascertain the extent of earthworks required for the dwelling. This has included attendance at the site on a number of occasions, with the latest site visit being by the Native Vegetation Branch on 16 May 2023. In September 2022, the department responded to another report of illegal clearance occurring on the site.

Investigation of this report identified approximately half an acre of unauthorised clearance had occurred at the property. The vegetation was described as messmate stringybark woodland forest. On 18 October 2022, a departmental officer under delegated authority placed a section 31E enforcement notice over the property preventing further clearance beyond what was previously approved in 2014 and requiring the landholder to provide a management plan for the restoration of the land within three months of the date of the enforcement notice.

In this instance, the authorised officer has declared, in accordance with powers assigned under the Native Vegetation Act, that a management plan to guide restoration is required in order to 'make good'. A management plan produced by an independent consultant was formally submitted to the Native Vegetation Council on 11 April 2023. The plan seeks to restore biodiversity outcomes through revegetation and restoration of habitat. At the 17 May 2023 Native Vegetation Council meeting, the management plan was endorsed. Monitoring for the plan will be undertaken by the Native Vegetation Council and will be supported by the department.

There was, I believe, a concern about clearance more recently than that. The council attended and determined that that was not illegal clearance. I think possibly one of the challenges is that there is vegetation that is not native vegetation that has been cleared but nonetheless looks like a scar and therefore it is concerning, given the experience concerning neighbours.

**The Hon. D.J. SPEIRS:** To clarify the answer—and I appreciate the extent of information you have provided—about half a hectare of illegal clearance was identified. The management plan they have put in place through the Native Vegetation Council seems worthy in intent, but this vegetation, the stringy bark vegetation, would have taken hundreds of years to develop the understorey, middle storey and upper storey, and the loss of that habitat as well as the visual impact on the landscape is substantial. Beyond a remediation plan, is there likely to be any action that would result in more penalties being handed down, or is the remediation plan seen as a conclusion of the remedy?

**The Hon. S.E. CLOSE:** I will turn to the chief executive to answer directly the question of how long it will take to grow back and how long it had taken to grow in the first place, but I will make two points about the idea of further penalty. One is that if the restoration works are not undertaken, then the landholder will be considered to have breached the enforcement order and the Native Vegetation Council has the right to commence to prosecute the landholder.

The second point I would make is that in my discussions with the council, including the newly constituted council after some changes of people around the table, I have been very clear that my view is that they ought to do exactly what they believe is the correct thing to do, without any influence politically or concern about how it might be taken by landholders or developers. The law is the law and they ought to enforce it as they see fit. I will turn to the chief executive to talk about the regrowth.

**Mr SCHUTZ:** Thank you, Deputy Premier. Thank you for your question, Leader of the Opposition. It is a very good question. I think one that is often not considered when we deal with native vegetation is how long it does take to restore intact vegetation, either as a vegetation type or as a habitat. It does take, in many cases, hundreds of years. In the case of Mount Lofty, you are dealing with a stringy bark woodland sclerophyll forest. Much of the Mount Lofty Ranges has been cleared in previous years, certainly in regard to war and the need for wood for all sorts of purposes, so much of it is what we would consider regrowth. It is not old growth.

There are some examples of old growth stringy barks in Victoria, where you will see stringy barks which have massive girths. They are hundreds of years old. The ones in the Mount Lofty Ranges are not. Because of the higher rainfall and the generally good soil, particularly on the eastern slope of Mount Lofty, you will get regeneration very quickly, having had personal experience with regeneration since the Ash Wednesday fires up there. It will need to be protected to allow that understorey to form that you talked about, but it will not take a hundred years.

**The Hon. D.J. SPEIRS:** Minister, do you believe that the current penalty regime in the act, and the act more broadly, is appropriate and agile enough to respond to situations like this, or could there be a need for legislative reform?

**The Hon. S.E. CLOSE:** I do generally think the act has done an extraordinarily good job, particularly as the initial impetus was to stop broadscale clearing and broadscale clearing stopped. It was very effective. I do not think that there is a particular deficit in the act at present, and I do not believe that this case points one out. The Illegal clearance was seen, was responded to, an enforcement decision was made that involved a make-good management plan and there will be the possibility of prosecution should that not occur.



I do think generally how we manage our protection for biodiversity is always up for reconsideration. The leader is no doubt aware that we have an election commitment to look at a biodiversity act and that will necessarily look at legislation that covers environmental protections, including the wildlife part of national parks and wildlife, the Landscape Act and the Native Vegetation Act.

The leader, however, will also be very aware of the sensitivities across the state about the way that native vegetation is managed and will have experienced, as I have, that a lot of the interactions one has, particularly in the regions, with people about the Native Vegetation Act is a frustration that it is not allowing activity to occur because you cannot knock things over. I am not sympathetic to changing the act to make it easier to remove native vegetation.

We always want to make sure that penalty regimes in any act, it does not matter what it is, are up to date and effective. At present, I think it is doing the job it has been asked to do and I believe it does it well.

**The Hon. D.J. SPEIRS:** Outside possible interactions with a forthcoming biodiversity act, you do not have any immediate plans to review or reform the act?

**The Hon. S.E. CLOSE:** No, I do not. Just to clarify, I have just recalled that there has been discussion about some very minor amendments to do with the effectiveness of the way the board operates and some clarity about defining the intact stratum. I do not want to mislead: I do recall that has been discussed with me but I am yet to receive a formal briefing from the department to advance any such amendments.

**The Hon. D.J. SPEIRS:** While we are on native vegetation, I will ask a few more questions with regard to that, moving away from the Mount Lofty site. Agency Statements, Budget Paper 4, Volume 2, page 165, there are the operating activities and cash inflows. What is the current balance of the Native Vegetation Fund?

**The Hon. S.E. CLOSE:** We do not have the cash balance at hand and it will take some minutes to find it so I think it is easier if I take that on notice.

**The Hon. D.J. SPEIRS:** With that fund, in previous financial years the fund had a balance of about \$125 million in 2021-22 and 2022-23, yet the actual result for 2022-23 appears to be zero dollars on page 165. Can you clarify that for our understanding? Does that mean that that fund has been entirely spent this financial year?

**The Hon. S.E. CLOSE:** There is just a bit of subtlety: I do not want to say something on the record that I ought not about legal advice, but there was a complexity about the way in which the fund was treated. We were given advice that the way that it had been operating for some time needed to change, and that change has now been made. But I think I might otherwise take it on notice so that I do not inadvertently reveal advice that I ought not.

**The Hon. D.J. SPEIRS:** I have some related questions to the fund, and you probably have to take some of them on notice and perhaps not others. What projects have been funded in the previous financial year through the fund, if any? I guess you will take that on notice—just a list of projects that were funded. Will the government use the fund to provide support to regional councils and communities in particular who are seeking to mitigate the impacts of approved vegetation clearance, particularly for land that has been developed either for regional residential purposes or regional renewable projects, which we know are both having a reasonably significant impact on native vegetation at this moment?

**The Hon. S.E. CLOSE:** After much conferring, we will take that on notice to get the detail correct.

**The Hon. D.J. SPEIRS:** Again staying on native vegetation as a topic, Budget Paper 4, Volume 2, Agency Statements, page 150 has a highlight in relation to the heritage agreement grant program. A highlight for 2023-24 was the development and launch of the Native Vegetation Heritage Agreement Grant Program. Clearly it is a highlight that will be developed in the current financial year, but has that program operated in any way over the last financial year—i.e., have any grants been issued and, if so, how much?

**The Hon. S.E. CLOSE:** There was a period of time to work through the model. The leader and I were part of the beginning of that process arising from negotiations with the landscape act, as was the Hon. Mark Parnell. The model that was adopted at that time was to essentially, through a pilot program, arrange the Heritage Agreement Grant Program through other providers (non-government organisations).

When I was able to secure an additional \$6 million to continue having the Native Vegetation Heritage Agreement Grant Program, my view was that we ought to look at whether that was the best way of undertaking it, particularly with a view to making sure that the department was rightfully involved in that kind of program. I am very concerned that we ensure that the department is not simply seen as an enforcement arm but is in fact actively involved in the positive work to do with the environment off park.

There has been a period of time working that through. The launch of the \$6 million was not until March of this year. There has been a call for expressions of interest; thus far we have received 140 and that was just in the first few weeks. Work is now being undertaken with each heritage agreement owner who has applied to receive that advice. There are also 23 new heritage agreements that have been secured in the last 10 months. This has added an extra 365 hectares to the private conservation estate in South Australia. There will be a range of microgrants under \$1,000 that are on offer and larger grants of some \$100,000.

Heritage agreement owners are still able to submit an expression of interest for a site visit where work plans to guide actions can be ongoing. There was some additional funding that was distributed to Trees for Life and Livestock SA to complete the remaining tasks associated with the pilot grant program, and now that model has been reshaped and is ready for the rollout.

A procurement process has been completed for landholder outreach delivery of \$1.2 million. Successful tenderers include the Eyre Peninsula Landscape Board, Murraylands and Riverland Landscape Board and the Limestone Coast Landscape Board. Where there was not a successful tenderer, DEW will undertake that work as well.

**The Hon. D.J. SPEIRS:** In terms of those, just for clarity, this program will be administered in those particular regions by the landscape boards?

**The Hon. S.E. CLOSE:** Yes, where the landscape boards have been successful to be the successful tenderers for the landholder outreach delivery component, which is \$1.2 million, they are the provider. Where there is not one, obviously DEW will do that work. But they are doing it in partnership with DEW, and one of the reasons that the landscape board is a useful vehicle is that, of course, they have access to federal funding as well as their own levy funding and they have established relationships with landholders, and therefore are in a good position to be able to add this element of native vegetation heritage agreements.

**The Hon. D.J. SPEIRS:** The \$6 million, is that what will be delivered in grants over the period of the election commitment, or will administrative costs for DEW—and potentially landscape boards as well—be taken from that \$6 million?

**The Hon. S.E. CLOSE:** Yes, it is a combination. A bit over half of it is directly for grants, and then there is over a million dollars for landholder outreach, so that is working with landholders and therefore is to their benefit. There is some Aboriginal cultural awareness training that is occurring and some training offered to heritage agreement owners. There will, of course, be some expenditure on assessing the performance of the program, and there is some program management, as there was with the previous one, which involves making sure that the administration works appropriately.

**The Hon. D.J. SPEIRS:** There are clearly reasons why it would be an internally administered program, reasons why you might have it administered by third parties, and the third-party model is really what was pitched by the Hon. Mark Parnell during those landscape board negotiations. Will there be efforts made to keep those third parties—Livestock SA, Trees For Life, the Nature Foundation and the like, to name a few—and will there be efforts made to partner with them or retain their knowledge and understanding established through the couple of years when they were involved in creating this program?

**The Hon. S.E. CLOSE:** The brief answer is, yes, there is continued engagement with those non-government organisations, and of course the leader is correct: it was structured initially in that way as part of the discussions with the Hon. Mark Parnell, but those organisations have remained involved. It is not to say that they are not disappointed that it has changed. I am aware that they are, and we have had those conversations, but their involvement is crucial not just on these heritage agreements and grants but more generally as a partnership working towards protecting the environment.

**The Hon. D.J. SPEIRS:** The same highlight that covers this grant program also talks about the \$5.5 million provided from the Landscape Priorities Fund for seven projects delivering grassroots programs across regional South Australia. You may have to take this on notice, minister, but would you be able to provide an overview of those seven projects?

**The Hon. S.E. CLOSE:** With the grants approved in 2022-23, they were approved, but there will be payments made over multiple years. For the Hills and Fleurieu Landscape Board, there is reversing the decline of Mount Lofty Ranges birds, \$820,000; the Alinytjara Wilurara Landscape Board, a multi-agency strategic response to managing buffel grass at a statewide level, \$1.18 million; the Northern and Yorke Landscape Board, delivering environmental and cultural flows, nearly half a million dollars; the Murraylands and Riverland Landscape Board, building the resilience of Ngarrindjeri Yarluwar-Ruwe, which is again almost half a million dollars; the SA Arid Lands, resilient rangelands, managing biosecurity threats for climate resilient landscapes, \$800,000; and the Kangaroo Island Landscape Board has increasing ecosystem resilience and restoration through Tasmanian blue gum wildling removal, \$780,000. I would add that that is an extraordinarily important job being undertaken that people in this chamber may well know all about, particularly the Acting Chair but is probably not widely understood by the public of South Australia.

One of the many terrible things that happened as a result of that fire was that seeds from the blue gums were spread far and wide off the land owned by KI timber, as it was then—Kiland as it is now—and they are now growing all over the place, on people's properties who had no desire to have Tasmanian blue gums growing and also in public land. The landscape board has taken a very high degree of responsibility for coordinating a response to that, and so it was important that we were able to identify some money through the Landscape Priorities Fund.

It is a very big task and one that I hope the company is also taking sufficient responsibility for. The last thing we need is for Kiland to be clearing their land, to return to agricultural land, but have this blue gum forest existing elsewhere unwanted by landholders, not chosen by landholders, yet they are being asked to take some responsibility for helping to clean it out. Also, finally, the Limestone Coast Landscape Board is able to buy the Karst Springs land in the South-East, which I think will be an extraordinarily important addition to the land they are able to take management of.

**The Hon. D.J. SPEIRS:** They are all extremely worthwhile projects. I have a question that was later on in my pack about the blue gums, so I might flick to that given you have referenced it. In terms of the program being administered through the Landscape Priorities Fund by the Kangaroo Island Landscape Board, is additional funding coming into that program from private landowners whose properties are impacted by that extremely unfortunate outcome from the bushfires? Do those private landowners include funding being obtained by those who own timber plantations?

**The Hon. S.E. CLOSE:** We do not have a briefing from the landscape board about this, so we do not have the specific answer to how the various efforts are being treated financially. I know that landholders are participating in the clearance on their land. I would be surprised if that involved them having to put money into a separate fund and then having the work take place. I think they are just doing the work, as are a number of volunteer groups, of course, getting out there and just digging up these things. If there is more detail that we can give from a financial treatment perspective, we will find that by taking it on notice.

**The Hon. D.J. SPEIRS:** And particularly the role of the group that could be in some ways blamed for this in the first place—not that we are necessarily pointing the finger, but the plantation owners in the first place.

**The Hon. S.E. CLOSE:** Yes, it is certainly one of those instances where there was absolutely no intention by the owners of the timber that they cause this effect, and they are certainly

not as responsible for the fire either. There is some consistency, if not legally at least intellectually, with the idea of a contaminated spill, that something that was confined to one bit of land has spilled elsewhere and caused challenges for other landholders. That is not the legal framework with which we deal with these incidents, but it is the experience of some of the neighbouring landholders.

**The Hon. D.J. SPEIRS:** I would like to move on to Budget Paper 4, Volume 2, Agency Statements, pages 141 to 143, which covers investing, expenditure and talks about BioData SA. If I can just find out a bit more about that program, \$2.099 million has been allocated in 2023-24 for the BioData SA project, along with \$500,000 of operating revenue. What will this project with a total value of \$8 million achieve, and how and why was it initiated?

**The Hon. S.E. CLOSE:** I will present the briefing as it has been given to me, and if there are any further questions Sandy Carruthers will be in a terrific position to give you some of that detail. It is a very exciting budget measure. It is one of those ones that does not readily grab the public attention but is absolutely essential if we are to continue to manage the biodiversity in South Australia well and to make decisions well.

The budget announcement, as the leader has indicated, included an \$8 million BioData SA build, including \$1.5 million coming from the commonwealth. This will overhaul the state's biodiversity data management system that is currently 30 years old, obsolete and not meeting the needs of government, business and the community, despite holding more than six million important biodiversity records.

BioData SA will deliver a new, accessible and secure biodiversity data system that will improve the accuracy, comprehensiveness and availability of South Australia's biodiversity data. It will provide a single source of truth for biodiversity data and other associated information, such as native vegetation and critical habitat layers for planning decisions, and improve access to this data for government, business and the community. This will decrease delays in major development decisions, particularly those necessary to underpin SA's decarbonisation agenda.

BioData SA will also improve our capacity to address the biodiversity crisis by ensuring that environmental approvals are more accurate, supporting improved biodiversity conservation management programs. Having a more accurate body of biodiversity knowledge will also vastly improve our ability to manage our landscapes in response to climate change.

**The Hon. D.J. SPEIRS:** Was this project initiated as part of conversations with the commonwealth government, who obviously are a funding partner, to advance any reforms associated with the modernisation of the Environment Protection and Biodiversity Conservation Act federally?

**The Hon. S.E. CLOSE:** I think what we have here is a happy coincidence, although it is probably not a coincidence in the sense that we are all aware that we need to better manage biodiversity. The department was already concerned about the age of the data management system we have currently and that it is not meeting the needs to not only hold biodiversity data in itself but also be able to be used for decision-making.

At the same time, with the new government in Canberra and the desire to look again at how the EPBC Act works and the processes underneath it—having already established that this was a priority that we wanted to fund at some point, then having a partner that was interested and would benefit from it as well, in the commonwealth, and therefore would provide some of the funding—it made it an even more straightforward decision. It is a decision that I believe we would have sought to make regardless.

**The Hon. D.J. SPEIRS:** Is the \$2.099 million of funding for the development of BioData SA inclusive of the commonwealth's contribution of \$1.5 million, I think you said, or in addition to it?

**The Hon. S.E. CLOSE:** Budget Paper 5, page 39, gives us the timing of the commonwealth contribution, which I think is what the leader is asking for essentially. For this year, next year and the year after, we expect to get half a million dollars for each of those years from the commonwealth. The remainder of the expenditure that is listed in the investing payments is the state government's contribution, including that we continue for a year after; therefore, that collectively adds up to the \$8 million.

**The Hon. D.J. SPEIRS:** So, in 2023-24, there is \$2.099 million then the following year \$2.783 million and then \$1.968 million. Each of those years is going to have 500 in addition to that figure or inclusive?

**The Hon. S.E. CLOSE:** No, that is the expenditure; we get essentially a revenue of \$500,000 a year, but that is the entire expenditure.

**The Hon. D.J. SPEIRS:** Once this new system is up to date and completed, I think the build is going to be a 2027 completion, according to the papers. Is it your belief that it is the commonwealth's intention to divest responsibility for environmental approvals under the EPBC Act to states?

**The Hon. S.E. CLOSE:** I think this strays slightly, but I am very happy to answer the question nonetheless, and there is a line that you can draw from the BioData contribution. The incoming government had another look at the Samuel review. My recollection of the way that the Samuel review played out with the previous government was that there was a view that the divesting of the decision-making to the states ought to happen but not much interest in all the other steps that were involved. The incoming government has said we accept all the recommendations, but we are as an environment ministers' council working through the stages required to make that successful.

So the decision from the South Australian perspective is not yet made that we will accept decision-making being devolved to us, but what we are committed to is the common assessment method to setting the standards, which is a piece of work that is being undertaken at present, and of course now investing in BioData South Australia it helps contribute to what we are able to be confident of in our knowledge. So that level of work is occurring at present. We will see how far it takes us along the pathway of how EPBC referrals are taken.

**The Hon. D.J. SPEIRS:** Thank you, minister. I am going to pass on to Mr Batty now to ask a few questions on heritage.

**Mr BATTY:** I have a couple of questions on heritage and refer to Budget Paper 4, page 150. You spoke a little bit earlier in the session about the \$1 million of funding per year over 10 years.

**The CHAIR:** Sorry, member for Bragg, which dot point are you looking at?

**Mr BATTY:** Page 150, the objective of the program 3, which is to conserve heritage. The \$1 million per year, are you able to write any breakdown on how that money will be spent?

**The Hon. S.E. CLOSE:** I can break down the work that is being undertaken, not necessarily put a precise dollar figure against each of the elements. We are in the process at present of preparing—so, this occurred in the Mid-Year Budget Review. There was a decision to add \$1 million a year for 10 years to the Heritage Council's work. The department is currently working through some changes to the Heritage Places Act that will ensure that the Heritage Council can assess a place prior to the lodgement of a development application for demolition with the relevant authority and also enable a public consultation process where public views can be considered and ensure that a report of the council is tabled before parliament.

The department is developing a forward program of legislation and policy reform to contemporise heritage protection, including in particular to consider compliance and regulation; to improve protection against demolition by neglect, which is one of those thorny ongoing policy issues we have been dealing with as a state and, I am sure, elsewhere; to integrate the commonwealth Underwater Cultural Heritage Act into local legislation; and to deliver the integration of a single listing pathway for state and local heritage, which again is something that I think the previous government had a serious look at as well and is one that many heritage advocates would, I think, be very pleased to see.

Other heritage reforms being undertaken as part of the \$10 million are the provision of annual heritage conservation grants, that is, \$250,000 each year, the first round of which opened on 15 May; providing better heritage information for decision-making by preparing statements of significance approved by the council where one does not exist; and developing a digital heritage register and mapping. I do not know if people have themselves gone looking to see if something is heritage listed

or not, but it is quite a labyrinthine process, and a digital heritage register, I think, would be really valuable.

Further reforms being undertaken include community education and support through workshops, regional visits and engagement, and also protection through listing by clearing a backlog of all nominations. The member may well be aware that, for the information of the chamber, there are many, many nominations that are made that sit waiting for consideration, because it tends to be that nominations in the context of a perception of threat by development are then having to be considered urgently and so that backlog never gets looked at. People who are particularly concerned about 20<sup>th</sup> century heritage and mid-century heritage, in particular, not being considered will be very pleased, I think, to see that backlog being worked through, through the addition of that money.

**Mr BATTY:** Just to clarify, I think you said \$250,000 was for grants. Is it the intention that \$250,000 of that \$1 million each year will be set aside for grants to support owners of heritage places?

**The Hon. S.E. CLOSE:** That is right. Our view is that the support of owners of heritage being able to maintain that heritage is a really significant part of not only protecting our heritage but also making the ownership of heritage places not something that is a disincentive. If the member will indulge me, one of the challenges with how we look after state heritage in particular, but perhaps also local heritage, is not to create such an onerous regime or such high expense that no-one wants to buy them, because then we are straight into the demolition by neglect. Having a grants stream, which the previous government also had for a period of time, is a very proactive and practical way of protecting heritage and creating an incentive or removing a disincentive from owning it.

**Mr BATTY:** The previous government also had specific funding for heritage tourism grants to try to improve accessibility and adaptive re-use of heritage places for tourism sites. Is the government going to continue that initiative?

**The Hon. S.E. CLOSE:** As I understand it, the previous government had two kinds of heritage-related grants, one being the conservation grants for owners of heritage and that is now existing under this government—\$250,000 a year—and then there was some money that I believe came out of national parks funding for heritage tourism. That was discontinued last year but because there are still some projects that were in process we are still working through with TICSA on delivering those, but otherwise it is not an ongoing program under this government.

Part of the reason I was asking is I am not sure what tourism is doing. It might be that they have some grants associated with this, but we have discontinued the money that was coming out of national parks.

**Mr BATTY:** You speak about creating more contemporary heritage legislation through this review. Is there an intention to create a single heritage act under one minister and try to make more consistent the listing of local and state heritage places?

**The Hon. S.E. CLOSE:** I am yet to receive this advice. It is an interesting and peculiar arrangement that we have with the PDI, local government and Heritage Act. Certainly, the intention is to follow up on the committee that was undertaken that looked at how to better integrate local heritage and state heritage processes.

As the member will be aware, often what happens for councils is that they cannot devote the resources to look at individual places to determine whether they ought to be state heritage listed and therefore will wait until they are doing an area and might declare that a local heritage area, which is pretty frustrating for people who want to see heritage protected but accept that it does not meet the bar of state heritage. The idea of integrating is a good idea.

When I first came in, I had been concerned that would take more resources than we could readily put together. Having been able to do this and the additional \$1 million a year, that at least gives us the opportunity to look at redoing the processes, but it will require work with local government. I do not want to foreclose exactly what that is going to look like, but that is the aim that we have.

**Mr BATTY:** The \$1 million a year is accompanied with three full-time equivalents in the Mid-Year Budget Review. Are new staff going to be employed by the agency to deliver this program?

**The Hon. S.E. CLOSE:** Certainly the intention is to increase the staffing, partly to deal with the backlog but also to work on the legislation.

**Mr BATTY:** Turning to page 142, the Ayers House project, when will works commence at Ayers House?

**The Hon. S.E. CLOSE:** The context of this, of course, was the decision to remove the National Trust in order to put the History Trust into Ayers House and allocate some works for the building. People would be aware that there is multiple use of the house already in the sense that there is a commercial restaurant, events and catering service there, as well as previously the National Trust and the intention was to have the History Trust.

The History Trust, of course, is not going there and it is going or has gone elsewhere. The National Trust is not yet back in the building, but we have been working through with them what the scope of works ought to be. The money was retained but it is just a question of what the scope of works would be in the context of not having to create the office space that was to be prepared for the History Trust. That process has taken some time but is now completed.

There is an agreement on the works that will be taking place, and we are now starting to go through a procurement or tender process for that. It will involve, for example, floor restoration, wall and ceiling repairs, repainting of the ceiling of the summer sitting room and also dealing extensively with salt damp repair.

**Mr BATTY:** I want to turn to a different topic now, bushfire management, and I refer to page 143 of Budget Paper 4, which has some resourcing for fire management on public and private land. Are you comfortable with the level of resourcing allocated in this year's budget and that it is commensurate with the risk of bushfires for this season?

**The Hon. S.E. CLOSE:** There are really two substantial elements to the fire program, one being the prescribed burnings, being able to reduce the load strategically, and also preparing for the event of fires. The aim for the prescribed burning program has remained the same for many years and has not been achieved in any of them in hectares. The funding has always been there. It has not been a question of not having sufficient funding; it has always been a question of opportunities to do the burning.

Ironically, we are more concerned about the risk of really significant bushfires in the context of climate change but, because the climate is changing, the windows for being able to do the burns have been reducing; in the last few years, it has been, ironically, because it has been so wet. Also there was for a while in some seasonal moments the concern about smoke taint by neighbouring landholders with vineyards. It has been a balancing act that has absolutely nothing to do with the colour of the government, but it has been a challenge across all governments recently and is, as I say, absolutely nothing to do with funding, which has been held available for prescribed burning.

There was in the budget last year what looked like a drop in the amount allocated for fire tracks, basically for the capital program to prepare for what happens if there is a fire. Not only was that resolved in the Mid-Year Budget Review but a little bit more was added as well, so that money has now been restored and will be used. One of the areas where there is a need for us to work through fire tracks, for example, is the western end of Kangaroo Island. We are currently out to consultation for that plan, but the funding is there. It was restored at the Mid-Year Budget Review.

**Mr BATTY:** So there is funding allocated over this year to implement works on Kangaroo Island like fire tracks and fuel brakes?

**The Hon. S.E. CLOSE:** Yes, there is.

**Mr BATTY:** Returning to that line item about fire management on public and private land, it was budgeted last year for about \$1.5 million and we ended up with a result closer to \$2.3 million. What is the explanation for this additional \$800,000 expenditure above the planned works?

**The Hon. S.E. CLOSE:** That is the combined program. As I described it, there is the prescribed burning bit and there is the money for fire tracks and so on for the capital. That is the additional money that was put in, the \$800,000, in the Mid-Year Budget Review.

**Mr BATTY:** I might ask some final questions about the agency's approach to working from home before handing back to the leader. I refer to page 139, the workforce summary. Does the department have a clear plan and time line in place for staff who are working from home to return back into the office?

**The Hon. S.E. CLOSE:** Given that this relates specifically to staff management, I will ask the chief executive to answer.

**Mr SCHUTZ:** I thank the honourable member for the question. Clearly, during COVID the point of reference here is that many people in the workplace, both in the government and non-government sectors, were provided with flexible working arrangements to be able to continue to work from home, given the impact of the pandemic. Since that time, there has been a transition back towards the workplace for employees across all those sectors.

In DEW, our policy is pretty clear: if your job is in the workplace, you need to be back in the workplace. We no longer have any COVID arrangements in place to allow people to work from home. We had a range of flexible work arrangements in place before the pandemic under the government's flexible work policy, and a number still exist, but unless they have an approved working from home plan in place, which has to be signed off through the appropriate delegate, the expectation is—and they are—they are back in the workplace working.

**Mr BATTY:** You mentioned some are still working from home. Do you know the current proportion of staff working from home versus the office in the department?

**Mr SCHUTZ:** No. I would have to take that on notice. It is not an easy answer because in today's workplace we do offer a range of flexible arrangements for people who work part time, people who job share, people who might start a little bit later or stay later. It depends what you call working from home.

In the context of the issue in COVID times, we no longer have dispensation for people to work from home—that is pretty well right across the public sector and that is the expectation from the Premier down—and chief executives are accountable for making sure that is in place, and that is in place in DEW.

**The Hon. S.E. CLOSE:** Although we have taken this on notice, it may be that we cannot supply the information because I am not sure that it is collected centrally, but if we can we will.

**Mr BATTY:** Thank you. I might hand back to the leader now.

**The Hon. D.J. SPEIRS:** I want to move on to National Parks and Wildlife now and run through a few questions on that part of the portfolio, which in the budget papers is Budget Paper 4, Volume 2, Agency Statements, page 140, which goes through key agency outputs. Program 1 is National Parks and Wildlife. Can the minister indicate what date the nature play and associated community amenities will open at Glenthorne National Park?

**The Hon. S.E. CLOSE:** I understand it is in the next few weeks. There was a date set that then might not be convenient. I am not sure of the complexities working with the council as well, but it will be in the next few weeks, yes.

**The Hon. D.J. SPEIRS:** One date that had been flagged by the council was 31 July; is that a date—or the Sunday—

**The Hon. S.E. CLOSE:** Initially we had the 30<sup>th</sup> scheduled and it may well be that it is moved to the 31<sup>st</sup>, but we will resolve that. I think it is just a live issue that has happened in the last week.

**The Hon. D.J. SPEIRS:** There was initially a three-way partnership between the National Parks and Wildlife Service, the Department of Human Services and the City of Marion in relation to developing a changing place facility at Glenthorne National Park, which would have created a unique level of accessibility to this national park that is not usually the norm in national parks. Is that project still going ahead?



**The Hon. S.E. CLOSE:** My understanding is that the idea of having an all-accessibility toilet was removed from the project—probably during caretaker, but certainly before the election—as part of what I think is called 'value managing' these projects, which usually means something less than we had expected. There is active work going on at present to see if we can find a source of funding, particularly with the commonwealth government, to still have one. I will not speak out of turn because I am not sure if it is settled, but I know that Minister Nat Cook was thinking that we had a very likely pathway to doing that; whether that has yet been achieved, I am not sure, but it is certainly a priority for us to seek to do that.

**The Hon. D.J. SPEIRS:** Do you have a rough quantum on what it would cost to develop such a facility?

**The Hon. S.E. CLOSE:** No, we do not have that with us here.

**The Hon. D.J. SPEIRS:** Can you provide the figure that was cut—not necessarily the right word—as part of value management?

**The Hon. S.E. CLOSE:** We will take that on notice. I am not sure if it was the only thing that was value managed at the time, so I am not sure whether we can distinguish it or not but we will seek to.

**The Hon. D.J. SPEIRS:** Will the government pursue opportunities for camping in Glenthorne National Park as occurs in some other national parks?

**The Hon. S.E. CLOSE:** As I understand it, the idea of camping at some stage is part of the management plan for the park, but there is no current project to fund that, nor has there been specific and appropriate consultation done with the community and the friends groups to see if that is something that they would wish to see activated. It remains a possibility but one that we will take some time to work on.

**The Hon. D.J. SPEIRS:** I understand that there has been an issue with commissioning the toilets in Glenthorne National Park due to advice, or perhaps lack thereof, from SA Water. Are you able to provide some clarity on the status of the toilets that are being developed as part of the public amenity for that park?

**The Hon. S.E. CLOSE:** The leader is correct that there is an issue with SA Water infrastructure near where the toilets are to be located and that the standards required by SA Water when close to that kind of infrastructure do make the new toilets expensive and complex. The department is continuing to work through that with SA Water; it has not yet resolved how to land it but will. So for now there are portable toilets being used so that people can enjoy the playground.

**The Hon. D.J. SPEIRS:** When the toilets are being built—some of them—will they not be able to operate, or is it additional toilets that cannot be built in other spots because of the SA Water standards?

**The Hon. S.E. CLOSE:** As I understand it, the issue is a matter of volume; therefore, although the toilets can be used, we need to supplement them with additional portable toilets to make sure that they are not put to too much use at this stage.

**The Hon. D.J. SPEIRS:** That is unfortunate. Is there a view—because obviously it spent several hundred thousand dollars on some very nice toilets—that this can be problem solved?

**The Hon. S.E. CLOSE:** Yes, there seems to be unequivocal optimism by the two people advising me.

**The Hon. D.J. SPEIRS:** Excellent; that is good to hear. Is there any intention to bring the Field River Valley into the protected areas network, specifically into the broader Glenthorne National Park precinct?

**The Hon. S.E. CLOSE:** I am yet to receive the briefing in order to make the formal decision. It will be put into the protected areas network; there is no question. The advice I have not yet received is in what form. As I understand it, Green Adelaide as well as the department are looking at that, and we are expecting that advice before too long.

**The Hon. D.J. SPEIRS:** Moving on from Glenthorne National Park but under the same reference on page 140 of Budget Paper 4, and national parks more broadly, in relation to Witjira National Park in the Far North of the state, has the department conducted or been involved in any investigations into the wandering of cattle, and possibly very large numbers of cattle, that may have occurred from neighbouring pastoral lands into Witjira National Park?

**The Hon. S.E. CLOSE:** Yes, this is a serious issue. The department has been working with the local landholders and has conducted some large musters to get the cattle off that park and is now at a point where remaining untagged cattle will be culled.

**The Hon. D.J. SPEIRS:** Will compensation or a contribution be sought for the cost of that mustering and any culling, etc., from the pastoral lessee?

**The Hon. S.E. CLOSE:** The landholders have carried the lion's share of the mustering program and therefore have been very significantly involved in delivering this clearing out of the cattle.

**The Hon. D.J. SPEIRS:** Can you advise how well progressed that mustering and removal of the cattle is? I do not expect you to give a head of cattle count on it but, in terms of the progress of that, is that ongoing? Do we know how many cattle are left?

**The Hon. S.E. CLOSE:** My advice is that it is finished, that the mustering process has now occurred very recently, and we are now at the phase of if there are untagged cattle there they are going to be culled.

**The Hon. D.J. SPEIRS:** Obviously, we are dealing with an extremely remote part of the state and a vast part of the state, vast pastoral lands. What action is the department taking to prevent those cattle wandering back in? Does it include potential fencing and the like?

**The Hon. S.E. CLOSE:** There has been an extensive fencing program that has been undertaken, and we are now at the stage where it is about staff undertaking regular checks to ensure that that fencing is still intact and doing the job.

**The Hon. D.J. SPEIRS:** Has that fencing been paid for by National Parks and Wildlife or the pastoralist, or a combination?

**The Hon. S.E. CLOSE:** It has been a cost-sharing process, fifty-fifty cost sharing for the fencing. The chief executive has just reminded me that there are occasionally events, flood events, that see damage, and there is then a process of working with the landholder to remove the cattle that have come in, in that process, and then restore that piece of fencing.

**The Hon. D.J. SPEIRS:** I want to ask a question about wildlife crime under the act, particularly the killing of raptors. I am trying to understand the intersection between SAPOL and the National Parks and Wildlife Service, or the compliance branch within the department, in terms of the investigation of the killing of a wedge-tailed eagle, to use that as an example.

**The Hon. S.E. CLOSE:** I am not aware of the specific case that the leader is talking about, and my advisers do not have it at the top of mind either and would welcome hearing more, if that is going to be helpful for giving the answer. Generally, the way in which this works is that, under the National Parks and Wildlife Act, there are wardens who are responsible for monitoring what is happening to wildlife. Both SAPOL and national parks rangers are wardens under that act, so SAPOL is equally able to do the job that national parks rangers do. However, of course, frequently it is rangers who come across this activity. We have our own investigators, and if there is a case to launch a criminal investigation then we can initiate that, but we also always work with SAPOL on that.

The leader may have noticed this, but just recently we have launched a two-year trial of working with Crime Stoppers. This has occurred in Western Australia and has been pretty successful in getting more crimes reported. So the department has a partnership over the next two years with Crime Stoppers to encourage people, if they see a crime that is associated with the environment—which might be the killing of a raptor, or it might be illegally fishing in a sanctuary zone in a marine park, or it might be taking old-growth forest out of a national park in order to sell it for firewood—to report it through this mechanism that is a very trusted charity, being Crime Stoppers.

**The Hon. D.J. SPEIRS:** Is there a point where the wardens within the National Parks and Wildlife Service would hand over a case to SAPOL for further prosecution, or would they take it through?

**The Hon. S.E. CLOSE:** Largely, the wardens under the act, our rangers, would take the case on. We have investigators, many of whom are former SAPOL officers, who would go through to preparing for prosecution. There are intersections, however, particularly when there is another crime that is attached, such as firearms crime or other criminal activity that the people involved in the particular crime might be associated with, that would then involve bringing in SAPOL.

**The Hon. D.J. SPEIRS:** You may have to take this one on notice: has the department conducted or been involved in investigations into the killing of multiple wedge-tailed eagles in outback or near outback areas in South Australia in recent months?

**The Hon. S.E. CLOSE:** As I understand it, yes, there is an investigation at present and the department is very involved in that.

**The Hon. D.J. SPEIRS:** There is a fine line between undertaking an appropriate investigation and making cases public in order to obtain further evidence from members of the public or bringing to the public's attention something inappropriate or abhorrent that has occurred in relation to native wildlife. What is the process for making a case like that public, and/or is it held back as a consequence of an ongoing investigation?

**The Hon. S.E. CLOSE:** I am not sure if it is possible for me to answer that. I do not have a brief on the nature of the investigation that is being undertaken at present. I can envisage it being difficult to be public about something where there is investigation occurring, but I can also envisage that it might be very useful to point out that this is happening and to ask for help. I would expect that decision would be made on a case-by-case basis, driven by the investigators, likely in consultation with SAPOL if this is a widespread activity that is occurring, and would probably be decided through to the chief executive level.

**The Hon. D.J. SPEIRS:** This is one I have quite a personal interest in just because of where some of my interests lie from a conservation point of view. Would the—

**The CHAIR:** I just ask that questions have some sort of financial component to them.

**The Hon. D.J. SPEIRS:** I think it is administration under the National Parks and Wildlife Service. I am trying to be pretty constructive here. I am keen to see if the minister would be willing to give me a briefing on that issue, if appropriate.

**The Hon. S.E. CLOSE:** I am absolutely happy to do that and I do respect the very sincere interest, particularly in birdlife, the leader has.

**The Hon. D.J. SPEIRS:** Thank you. Under the same section, regarding Hindmarsh Valley National Park, \$3 million was set aside for that national park in the previous year's budget which included at one point looking at the development of mountain bike trails. I recognise that the management plan is no longer contemplating mountain bike trails for a variety of reasons, but is it still anticipated that that \$3 million will be expended on public amenity and access, whether it is car parking, walking trails, interpretive signage and so on, for Hindmarsh Valley National Park on the Fleurieu?

**The Hon. S.E. CLOSE:** The \$3 million is still identified for that park and the management plan is out for consultation at present and will therefore guide how that is spent.

**The Hon. D.J. SPEIRS:** And you would expect those things I just ran through—walking trails, community access—notwithstanding that mountain biking is not foreseen now?

**The Hon. S.E. CLOSE:** I would generally expect that to be the case, but I have not read the draft management plan for some time, so I do not want to be inaccurate.

**The Hon. D.J. SPEIRS:** You may wish to take this one on notice. It is the same section under the infrastructure spend on national parks on page 142 of Budget Paper 4; \$7.66 million is allocated for Parks 2025 in the current financial year. Which projects will receive funding under that allocation?

**The Hon. S.E. CLOSE:** We will take that on notice. I do not want to run out of time for you to ask questions on other topics. We will break that down for you.

**The Hon. D.J. SPEIRS:** I have a brief couple of questions relating to heritage, particularly the Torrens Parade Ground and the hosting of Gathered market there. Can you advise how the Torrens Parade Ground is managed in terms of the administration of events and business activities that occur there?

**The Hon. S.E. CLOSE:** We employ a site manager for the Torrens Parade Ground, and that site manager is the person who receives requests for using and hiring the grounds and manages that process but also negotiates and liaises with the other tenants on the site.

**The Hon. D.J. SPEIRS:** I have been made aware that the hire fee for Gathered market recently, with reasonably short notice, was increased by 300 per cent, from around \$4,000 per hire for the event to \$12,000, which has caused extreme difficulty for the small South Australian business operating that event. Are you able to provide information on the appropriateness of that hike between one event and the other, not staged over a number of months or years, and if that can be reviewed?

**The Hon. S.E. CLOSE:** I think there has been some lack of clarity in the order of events that occurred with Gathered market. The hiring fee is \$8,000 and that is known to be the hiring fee. A discount was given, and how that occurred is the subject of some consideration by the chief executive at present. A discount was given, that was not authorised, to the much lower fee of some \$4,800.

Once it was realised that there was this gap between what was expected to be charged and what was in fact being charged, the latest booking was honoured at that amount. I do not believe there were any actual bookings further on. Although I think there was a reasonable expectation from the Gathered market person that she did in fact have an arrangement that was ongoing, there was not actually a booking that had been made for specific dates.

Because there is a little bit of complexity associated with the investigation of how this has occurred, I would rather not say anything more on the record at present. We are working through it. The Premier has had a conversation directly with the person who runs Gathered market, but we are seeking to step through that fairly carefully. If you do have any other questions, which you are welcome to have, I will almost certainly take them on notice.

**The Hon. D.J. SPEIRS:** Thank you. If I have further questions, I might reach out to your office directly. Moving on to Budget Paper 4, Volume 2, Agency Statements on page 148, which covers grants and subsidies, what are the deliverables for the \$250,000 grant paid to the Conservation Council for the 2022-23 financial year?

**The Hon. S.E. CLOSE:** A grant agreement has been negotiated that supports the payment of \$250,000 per year for four years to the Conservation Council. The funding contributes to the Conservation Council delivering its core activities as the peak body for the community environment sector. It will support the Conservation Council in delivering community consultation and engagement with member groups to provide a voice for engagement with the state government. This includes facilitation and support for SA Nature Alliance.

**The Hon. D.J. SPEIRS:** In terms of the previous financial year for the \$250,000, what deliverables were sought under that grant for the Conservation Council?

**The Hon. S.E. CLOSE:** I am not sure what stage we are at with acquittals, so I will take that on notice.

**The Hon. D.J. SPEIRS:** Are you aware if the cost of the deliverables, in terms of what the Conservation Council has been given for those, compare with the cost offered in the marketplace? For example, do they represent value for the taxpayer?

**The Hon. S.E. CLOSE:** I will take that on notice as well.

**The Hon. D.J. SPEIRS:** You will probably take this on notice as well, which is quite acceptable: was any market comparison conducted between what was being proposed by the Conservation Council and the cost of that and what might have been available from other providers?

**The Hon. S.E. CLOSE:** The incoming government had an election commitment to contribute additional funding to the Conservation Council in order to better facilitate their involvement as a peak body consulting with the environment movement. I will take on notice if any market testing was done, but I would not expect there to be, given that there is no other peak environment body. They fulfil a unique role, and the election commitment of the incoming government was to ask them to do more.

**The Hon. D.J. SPEIRS:** Are you aware of any instances of the Conservation Council subcontracting their deliverables to other bodies?

**The Hon. S.E. CLOSE:** There will be specific examples of that, no doubt. That is a perfectly acceptable way of delivering as a peak body that is not particularly well resourced, even with the additional funding, to have enough staff depth to be able to undertake all the activities they have agreed to do, so that may well be occurring indeed.

**The Hon. D.J. SPEIRS:** Are the Conservation Council providing any advice on managing vegetation in relation to fire prevention and control and prescribed burning?

**The Hon. S.E. CLOSE:** I will take that on notice to make sure that we are being accurate. Generally, of course, with public consultation the Conservation Council would contribute, but it may be that there have been specific discussions on that matter that I am not aware of, so I will seek advice on that.

**The Hon. D.J. SPEIRS:** Has the Conservation Council been provided with any additional representation on the Native Vegetation Council beyond the one position that they are prescribed by legislation?

**The Hon. S.E. CLOSE:** I do not believe so.

**The Hon. D.J. SPEIRS:** I want to move on to climate change now, Agency Statements, Budget Paper 4, Volume 2, page 150, dot point 1, which covers off climate change. With respect to the minister's and the government's declaration of a climate emergency, what does the minister say in response to the view—this is not my view—that the actions of South Australia are unlikely to put a halt to climate change?

**The Hon. S.E. CLOSE:** Well, the truth is that the population in South Australia is so small that if we disappeared overnight we would not stop global climate change. That truth is nested within larger truths that we not only have a moral obligation to respond and a leadership role as a First World country but also we have a very clear and pressing responsibility to prepare our economy for a low-carbon world.

If we were to ignore climate change, if we were to ignore the need to drive down emissions, we would be enabling South Australia to be full of stranded assets and unable to respond to the demands of, for example, Europe in its demands for the kinds of products they will be prepared to purchase in the future.

While the response to climate change is often characterised primarily as environmental, my view is that it is better understood as an economic necessity as well as, given the impact of climate change on people, that we need to prepare for adaptation. Again, just as we cannot solve climate change by ourselves but must contribute to it, nor can we get out of climate change affecting us even if we respond as well as we have been collectively responding, it is not a localised cause and effect.

Unfortunately, while our emissions are being driven down very well, down to 42 per cent of 2005 levels in the most recent reporting period, and renewable energy in particular is one of world leadership, we cannot assume that that means we do not get the fires or the floods or the other heatwaves or other effects. We are subject to decisions made globally. That has always been the case. We have to prepare ourselves both for an economy that is able to demonstrate its zero-carbon credentials and we have to respond to a warming and more energetic global atmosphere. These are difficult challenges that in South Australia I am pleased appear to be understood in a bipartisan way.

**The Hon. D.J. SPEIRS:** Thank you, minister. I am going to hand over to Mr Whetstone for a few questions to take us to the close.

**Mr WHETSTONE:** I refer to the Commissioner for the River Murray. Since the appointment of the commissioner, how much environmental water has been delivered on behalf of South Australia to the Murray-Darling Basin Plan?

**The Hon. S.E. CLOSE:** I think before answering that question it is important that we have the right framework for this. The idea that a commissioner, or a South Australian government even, can demonstrate its merit in the Murray-Darling Basin Plan by how much water is recovered year by year misunderstands the power that South Australia has. It would be like my saying that the previous government achieved only two gigalitres and that that is the only measure of the role it played in the Murray-Darling Basin Plan. The challenge is that we need to get a willingness at the commonwealth and the ministerial council level to actually deliver the plan. The vast majority of the water, by necessity, is recovered elsewhere.

The role of the commissioner is not to go and find individual projects, arrange for them to be funded and then say, 'Look, here are the gigalitres I have produced.' The role of the commissioner is to be part of persuading the public of South Australia, the public interstate and therefore the politicians that this is something that must happen. By those measures—and we were together at a forum the commissioner spoke at late last week—Richard Beasley is making a very strong contribution. He is also working on the detailed understanding of politicians and policymakers at the Murray-Darling Basin level of what is and is not the challenge before us in delivering that plan.

He has a view that is able to be articulated separately from elected members of parliament and that has some standing because he not only is an SC but was the Senior Counsel assisting the royal commission. He is a published author on the matter and has read extensively and spoken extensively with the experts and knows who to go to get more advice. His contribution is one that elevates the debate, which is something I think we all require if we are going to have a chance at persuading this ministerial council, the commonwealth government and the authority that the plan that was agreed to some 10-odd years ago actually should be delivered. It is a position that South Australians have held firm to.

While I have made some criticisms of acquiescent decisions that were made under the previous government, I do not hold the now leader and then minister responsible for having only two gigalitres. I hold substantially the previous commonwealth government for that and the intransigence of New South Wales and Victoria. We are strongest if we maintain a powerful voice from South Australia that the plan must be delivered. To do that, we need as much expertise and as much strength in the argument as possible, and Richard Beasley contributes significantly to that. Also, we are now at 12 gigalitres of the 450 gigalitres, up from four gigalitres.

**Mr WHETSTONE:** Has much of that water been recovered through buybacks or through infrastructure projects?

**The Hon. S.E. CLOSE:** That is the effort that has been made under the program that was said to be intended to deliver the full 450 gigalitres and has been able to deliver 12 gigalitres, which is efficiency programs. I for one am in favour of more efficiency programs, by the way. I am also in favour of voluntary buybacks. I am in favour of any legal mechanism that is done with an understanding of the impact on community but will deliver the water.

**The CHAIR:** That is the last question, sadly. It is past 11.15 actually; I have given you an extra minute. The allotted time having expired, I declare the examination of the Department for Environment and Water complete. The examination of the proposed payments will continue later today.

*Sitting suspended from 11:16 to 11:30.*

#### **Membership:**

Mrs Hurn substituted for Mr Batty.

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

**Departmental Advisers:**

Mr D. Ryan, Chief Executive, SA Water.

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

Ms A. Christie, Senior Manager, Finance-Business Partnering, SA Water.

Ms N. Bolton, Acting Manager, Water and Sewerage Infrastructure, Office of the Technical Regulator.

**The CHAIR:** Welcome back, members of the committee. The portfolio that we are examining is SA Water. The minister appearing is the Minister for Climate, Environment and Water. Minister, do you wish to make an opening statement? If not, feel free to introduce your advisers. I will then call on the lead speaker for the opposition to make a statement if he wishes or go straight into questions.

**The Hon. S.E. CLOSE:** Thank you, Chair. No, I have no opening statement, but I would like to welcome my advisers. On my left I have David Ryan, who is the Chief Executive of SA Water. On my right is Jacqueline Guerin, who is the Chief Financial Officer of SA Water. Behind us are Anushka Christie, who is the Senior Manager, Finance-Business Partnering, SA Water, and Natalie Bolton, who is the Acting Manager, Water and Sewerage Infrastructure, Office of the Technical Regulator.

**The CHAIR:** The lead speaker for the opposition is the member for Colton. The floor is yours.

**Mr COWDREY:** I do not wish to make an opening statement. The first question is in regard to Budget Paper 3, Budget Statement, page 69 and in particular table 5.3, net contributions to/from public sector non-financial corporations. In regard to table 5.5: capital investment programs on page 72 just a couple of pages over, the first couple of questions are in particular regarding the Zero Cost Energy Future project. It is understood that that particular project aims to deliver SA Water with zero net electricity costs, which significantly benefits the corporation's profitability. Did this occur in 2022-23?

**The Hon. S.E. CLOSE:** The Zero Cost Energy Future program has now essentially been completed. Of the 33 projects, the last of them is now going through the commissioning stage. All of that has been funded through the capital program.

**Mr COWDREY:** I understand the capital cost investment, but the question particularly is in regard to achieving zero net energy cost to the business. Was that achieved in this financial year?

**The Hon. S.E. CLOSE:** This project, as I understand it, is one that was approved in 2018, and the goal at that point was 70 per cent of the load at that time, and it is achieving that.

**Mr COWDREY:** It is achieving that. Is the program on track to achieve that target next financial year?

**The Hon. S.E. CLOSE:** Yes, it is.

**Mr COWDREY:** Are you able to give an outline as to what the corporation believes the net benefit is in terms of a dollar figure to the business each financial year or, at the very least, this financial year?

**The Hon. S.E. CLOSE:** I will have to take that on notice. We will bring an answer back.

**Mr COWDREY:** I assume you have projected numbers into forward years of what you estimate that benefit to the business to be. Are you able to do that?

**The Hon. S.E. CLOSE:** Yes, we do have that; we just do not have it with us, so we will provide that to you.

**Mr COWDREY:** Again, not having in my purview what you have available to you, are you also able to provide us comparisons to what that saving to the business has been in comparison to the past five years' electricity cost?

**The Hon. S.E. CLOSE:** Yes, we are able to provide that.

**Mr COWDREY:** So that will be provided on notice?

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

**Mr COWDREY:** More broadly in terms of that particular project, are you able to provide any commentary to the committee in regard to how sensitive the zero-cost energy future business model is to high and low or negative electricity prices?

**The Hon. S.E. CLOSE:** I will ask Jacqui to answer it, otherwise I am just parroting the detailed technical expertise that she has.

**Ms GUERIN:** During times of high electricity prices, we export as much as possible to the market and we reduce all pumping across the network as much as we are able to within the demand requirements. When prices are negative, we turn the solar panels off and we ramp up as much of our network pumping as possible to take advantage of those times.

**Mr COWDREY:** Yes, I certainly understand that that is how the program is predicated to return what is a quantum, that you have taken on notice to provide back to the committee in terms of the benefit to the business each year. How substantial would any narrowing of price peaks, whether they be high or low, affect the viability or profitability of the program and therefore the corporation?

**The Hon. S.E. CLOSE:** We are going to have to take that on notice.

**Mr COWDREY:** Has SA Water ever considered or modelled the impact that the government's proposed hydrogen plant may have on the Zero Cost Energy Future program and any savings that are delivered through the program to the corporation?

**The Hon. S.E. CLOSE:** Could you ask that again?

**Mr COWDREY:** The government obviously has a commitment to build a hydrogen powered electricity station as part of their election commitment. Has SA Water ever considered or modelled the potential impacts that that plant may have on the Zero Cost Energy Future project and the associated savings that are made through that project and delivered to the corporation?

**The Hon. S.E. CLOSE:** That has not occurred, and a lot of our use is behind the meter in any case.

**Mr COWDREY:** Is that something that SA Water will consider doing?

**The Hon. S.E. CLOSE:** I imagine that as the electricity market changes over time with a variety of inputs—including the hydrogen plant but also subject to what occurs interstate and with other infrastructure—that SA Water is constantly aware of what its electricity costs are and how it can best manage them.

**Mr COWDREY:** You do not believe that the government's hydrogen power plant will have any impact whatsoever on the Zero Cost Energy Future project and the associated savings delivered to South Australian ratepayers through their water bills?

**The Hon. S.E. CLOSE:** I think it is premature to be asking SA Water to undertake that analysis; the hydrogen plant is still in the process of the commissioning part, so the idea that exactly how it will run and exactly the impact it will have on SA Water is probably premature. But it will become a feature of the electricity market in South Australia and will, at the necessary time, be understood.

**Mr COWDREY:** The government does have a fixed view in terms of the megawatt hours being produced or potentially produced by the hydrogen facility, though?

**The Hon. S.E. CLOSE:** I think my answer really covered that. We are still understanding what that plant will look like, how it will run, the extent of input it will provide to the electricity grid.

**Mr COWDREY:** On the same Budget Statement, Paper 3, page 72, and the same table in terms of capital investment programs—and the member for Newland, I assume, will also be interested—are you able to provide an update on how the sustainable sewers project is tracking with regard to timing and budgeted costs?

**The Hon. S.E. CLOSE:** You would like an update on how that program is rolling out?



**Mr COWDREY:** Yes.

**The Hon. S.E. CLOSE:** In April 2022, SA Water commenced stage 1 of the Tea Tree Gully sustainable sewers program. This program will convert around 4,700 properties from the ageing septic tank or common effluent system to the SA Water sewer network. SA Water has now implemented one of this government's key election commitments to bring CWMS customers across to become SA Water customers at no additional cost to them.

In May 2020—although this is probably going back into the old history—you probably do know, from that time, the commitment that was made under the former government. There is an immediate saving, as a result of the 4,700 properties coming across as SA Water customers of, for the average household about \$400 a year in reduced sewerage rates.

There was also a commitment for a dedicated customer service contact point within SA Water, and that has been established. That contact point's priority is to provide information to work through any operational and maintenance issues and provide clear time frames for Tea Tree Gully residents.

SA Water has also begun transitioning Tea Tree Gully CWMS customers to its new sustainable sewerage network. So far more than 8,200 metres of sewer main have been installed and 316 households are now connected to SA Water's sewerage network. This includes the connection of approximately 75 properties in Modbury North which were considered high priority based on council and community feedback.

Groups of high priority areas, known as catchments, in St Agnes and Banksia Park are currently being transitioned as part of stage 1 of the program, which is due to be completed in early 2024.

**Mr COWDREY:** Are you able to give us an update in regard to project costs versus budgeted costs for the financial year?

**The Hon. S.E. CLOSE:** An amount of \$64 million had been allocated under the current regulatory period, which was obviously allocated by the former government. We are still within that costing.

**Mr COWDREY:** In regard to the number of homes transitioned to date, in previous years I understand you provided the committee with the expected transitions. Are you able to provide an update in terms of the number of homes that were transitioned in regard to the targets that were previously set, and also what you expect to achieve next financial year?

**The Hon. S.E. CLOSE:** We do not have that level of detailed information, so we will take that on notice.

**Mr COWDREY:** Is the government still committed to having all CWMS customers transitioned over before the end of 2026?

**The Hon. S.E. CLOSE:** The commitment was that it would be undertaken during the next regulatory period. We are currently preparing our proposal to ESCOSA, which includes this project, and ESCOSA will of course be considering it.

**Mr COWDREY:** What is the total cost to SA Water customers above the previous trajectory for switching all CWMS customers to SA Water customers from 1 July last year?

**The Hon. S.E. CLOSE:** We have now transitioned everyone over to being treated as SA Water customers. That is costing \$3.3 million over the next two years and has been allocated by this government above what had been previously committed by the previous government.

**Mr COWDREY:** In terms of any other asset writedowns or accounting implications that will fall to SA Water as a result of Labor's election commitment to transfer all customers as at 1 July last year, have any further asset writedowns or accounting implications been identified by SA Water?

**The Hon. S.E. CLOSE:** If the shadow minister is referring to the decommissioning of the system itself once all the transition has occurred, that will need to take place, but the costing of that is still being determined.

**Mr COWDREY:** To take a step back in regard to the transition, you are saying that the government's commitment was over the next regulatory period. You mentioned that 316 homes have been transitioned so far to the new system, so what is the expectation for the year ahead prior to the next regulatory period?

**The Hon. S.E. CLOSE:** We will take that on notice.

**Mr COWDREY:** When does the government expect to have all customers transferred in regard to the actual service delivery, as opposed to bills?

**The Hon. S.E. CLOSE:** As I said, the election commitment was to do it during the next regulatory period, but we are still preparing the material for ESCOSA. Obviously, there is a slight complexity with having to take our material to ESCOSA, but that is the expectation.

**Mr COWDREY:** But you do not have with you any clear indication of how many homes you expect to have connected next financial year?

**The Hon. S.E. CLOSE:** SA Water does have it. We do not have it with us and that is why we are taking it on notice.

**Mr COWDREY:** I will take a step back. We are currently in the process of SA Water preparing the details for the next regulatory period and making their submissions to ESCOSA in regard to the expected capital expenditure over the years coming. Are there any further connections that are going to be made this financial year, or will all connections to SA Water services be made in the next regulatory setting period?

**The Hon. S.E. CLOSE:** There are further connections being made right at present, in fact, and they will certainly be occurring in this financial year, prior to the beginning of the next regulatory period. We just do not have the project plan at that level of detail with us, and we will provide it.

**Mr COWDREY:** The high-level question again is: is it the expectation of the government that all homes will be connected in this coming regulatory period?

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

**Mr COWDREY:** I might shift to the Northern Adelaide Irrigation Scheme, Budget Paper 3, page 72, capital investment programs. Are you able to provide an update on how that particular project is tracking with regard to the timing and budgeted costs?

**The Hon. S.E. CLOSE:** I will ask the chief executive to give an update on the NAIS.

**Mr RYAN:** The original six gigalitres of the Northern Adelaide Irrigation Scheme has been completed; it was in line with budget and on time. Of the six gigalitres, we have now contracted around about 2.7 gigalitres of water per annum, and then there are further conversations going on with growers in the northern Adelaide area around contracting more of that water. We are looking to use the six gigalitres and ensure that is taken up. There was an option of a further six gigalitres in that project, so ultimately it would be 12-gigalitre project. We are still working through with government at the minute as to what the ultimate outcome will be of that additional six gigalitres.

**Mr COWDREY:** In terms of the budget estimate, there has not been a significant increase on the original budgeted cost versus where we have arrived?

**Mr RYAN:** In terms of the Northern Adelaide Irrigation Scheme?

**Mr COWDREY:** Yes.

**Mr RYAN:** No.

**Mr COWDREY:** Has there been any contribution made to the NAIS by sewerage customers through their bills?

**Mr RYAN:** There has been some contribution from existing sewerage customers; that was always part of the original business case. I do not have that figure with me, but we can provide it on notice.

**Mr COWDREY:** Are you confident that that contribution through the sewerage bills is allowed under the current economic regulation framework?

**Mr RYAN:** Yes, I am.

**Mr COWDREY:** Are you able to outline any areas of improvement in regard to, in particular, the initiative's pricing principles that could be made under the scheme to fulfil the full 12-gigalitre project?

**The Hon. S.E. CLOSE:** There was an election commitment made by the incoming government to do a review to look at the challenges for some primary producers in being able to benefit from the NAIS, due to the cost profile and also, to some degree, the salinity, which requires shandyng. The review is being undertaken through SA Water and is currently out for consultation, so we are still working our way through understanding what the community thinks about it and also what the economic options are.

**Mr COWDREY:** In regard to the federal government's previous grant contribution, are you able to advise whether that has added to the price that needs to be charged for water under the scheme, particularly in regard to capital and operating costs?

**The Hon. S.E. CLOSE:** The government did receive grant money from the commonwealth to assist—this is obviously a previous government, so we are going back some time—with the cost of introducing NAIS. That has not added to the cost: that has reduced the cost.

**Mr COWDREY:** Yes, but the question is in regard to those grant programs being limited. Is the cost of the access to water going to increase in future years?

**The Hon. S.E. CLOSE:** It was a contribution to the capital works that have occurred.

**Mr COWDREY:** Yes. In regard to the project—again, associated with NAIS but sitting slightly aside—the Barossa New Water Project, can you confirm that the management of that project has been shifted from PIRSA back to SA Water?

**The Hon. S.E. CLOSE:** It has actually gone to DEW as the lead water policy. The government has recently made that transition to look for options.

**Mr COWDREY:** Do you know when that transfer occurred?

**The Hon. S.E. CLOSE:** It is in the process of occurring right now. It is news.

**Mr COWDREY:** So it has or has not been transferred yet?

**The Hon. S.E. CLOSE:** I will confirm the detail, but it is actually now straying well out of what SA Water is responsible for. It was a PIRSA project, it is moving to a DEW project, it is not really—

**Mr COWDREY:** So SA Water has no interaction whatsoever with the—

**The Hon. S.E. CLOSE:** No, not that it has none, but it is not the keeper of the project.

**Mr COWDREY:** Pardon?

**The Hon. S.E. CLOSE:** It is not that it has no contribution, it is just it is not the keeper of the project.

**Mr COWDREY:** Yes. What is SA Water's view in regard to the Barossa New Water Project?

**The Hon. S.E. CLOSE:** They have made a contribution to the considerations that PIRSA was working on and they will continue to make contributions to DEW's consideration.

**Mr COWDREY:** Will SA Water play any part in delivering water security solutions to the Barossa region?

**The Hon. S.E. CLOSE:** SA Water is a contributor and plays the role of a water utility in this. The government will make a decision at some point led by the agency that we just had the estimates for.

**Mr COWDREY:** I might shift to my colleague.

**Mr WHETSTONE:** Minister, I would like to touch on Budget Paper 3, page 69, the Cobdogla Steam Museum. Who was responsible for the site's remediation post the floods?

**The Hon. S.E. CLOSE:** Ultimately, it is SA Water but I have a little bit of detail about what has happened since the floods, if I might give that to you. In preparation for the flood, at that point thought of as a high flow, SA Water performed a site impact assessment to understand if any proactive protection was required to maintain its responsibilities for the site.

SA Water worked to protect the Cobdogla Steam Museum site with the supply and installation of a generator to pump water from the Humphrey pump shed. They used divers to plug drains connected to the river and drone pilots to conduct site assessments. A thorough safety assessment of the site was conducted and found that with increasing water levels and associated hazards it was no longer safe for volunteers or any member of the public to be on the site including any occupants of the onsite caretaker's residence and any access from the river side of the site. Due to this, SA Water was left with no alternative other than to close the site to access by any volunteers or members of the public on 16 December 2022.

SA Water also arranged and paid for alternative temporary accommodation for the residents of the onsite caretaker's cottage and supported them to find their longer term or permanent accommodation in their preferred location. The museum site has remained closed to volunteers and the public since the flood event. SA Water continues to monitor the condition of the site and has installed security measures to ensure the safety of the exhibits on the site. SA Water has completed the majority of flood remediation work as the custodian of the land.

**Mr WHETSTONE:** Can you give those volunteers a time line of when the site will be made accessible?

**The Hon. S.E. CLOSE:** SA Water has been dealing weekly with the volunteers, as I understand, and expects that within weeks the volunteers will have access to the site to at least get some of their materials, some of the equipment they own or they are responsible for, but there is a high degree of concern about the security of the site and so we are not sure when we will be able to properly allow ongoing access.

**Mr WHETSTONE:** One final question, if I may: can you give any assurance to the friends of the steam museum about who will take control of the assets once the site is reopened? Obviously, there is infrastructure and belongings on that site, and SA Water has now walked away from its financial commitment. Is there an ability for the friends of the museum to take control of the site and belongings if they are to continue operations on that site?

**The Hon. S.E. CLOSE:** This is very much a live issue and a live discussion, as you would be very well aware. There are discussions occurring with the volunteers, and also with the council, to try to understand who is best placed to have ongoing custodianship. We certainly want to make sure that there is access available to get the personal assets off and to perhaps find some alternative location that is easier to manage for some of those assets, but in terms of where it will ultimately land in terms of custodianship, that is still a daily, weekly discussion occurring.

If I could add, as the local member, we would welcome giving you a briefing with a bit more detail and perhaps involving you in some of those discussions as well.

**Mr WHETSTONE:** Thank you.

**Mr COWDREY:** If we could shift to another project outlined in the same Budget Paper 3, page 72, in regard to the Eyre Peninsula desalination plant and the \$54.1 million that was budgeted for 2023-24 financial year, are you able to provide an update in terms of what stage of the project this allocation will deliver? Will that be the final cost of the desalination plant?

**The Hon. S.E. CLOSE:** I will ask the chief executive to give an update on where we are up to and where that expenditure has taken us.

**Mr RYAN:** Billy Lights Point has been chosen. The government has accepted the advice from the SA Water board that Billy Lights Point is the best location for the Eyre Peninsula desalination plant. I am not sure if you are aware, but Eyre Peninsula relies quite heavily on the groundwater system, the Uley South Basin. I think it is around 70 per cent of the water supply supplying the

broader Eyre Peninsula that comes from the Uley South Basin. We have seen a number of those groundwater systems on Eyre Peninsula be under significant threat over the years and Uley South Basin is no different. We are looking to construct a desalination plant to take some of the pressure off the Uley South Basin and also to allow for further growth and development on Eyre Peninsula.

We are at the stage now where we have been out in the market understanding which organisations are interested in constructing the Eyre Peninsula desalination plant. We have had quite a lot of interest, it would be fair to say, from quite a number of organisation, which is fantastic, and we will shortly go out in a more formal way now to actually get tenders and costs for that piece of work.

You may also be aware that there has been a lot of work going on from a science perspective, so understanding how we can construct the desalination plant at Billy Lights Point and not have a detrimental impact on the environment, local industry, etc. We have worked with SARDI but we have also had an independent scientific review of that science that has been done at the minute.

There have been a whole range of community consultation as well that has been going on. There have been sessions we have been running with the local communities, we have also operated a public information centre in Port Lincoln and we have been meeting with all the councils across Eyre Peninsula to give them an insight into this critical project to be able to provide water security for the broader Eyre Peninsula. I might stop there. There is a lot going on with this project.

**Mr COWDREY:** In regard to this project, last year in estimates we asked a question specifically in regard to the prior investment in new groundwater monitoring units and the information that was available around the water security issues in the basin that was just referenced. Are you able to provide a summary of the updated information that has been able to be collected on the basis of those additional groundwater units and the improvement in the quality of the data that is coming? Is there any increase or has the level of urgency changed in any way on the back of the additional information?

**The Hon. S.E. CLOSE:** Unfortunately, despite the relatively wet years we have experienced recently, the monitoring and the recent report done by Flinders University indicate that we are at exactly the same time line of urgency to provide an alternative non-climate dependent water supply.

I think one of the dimensions of climate change that we do not talk about enough to make sure that people understand the real cost of a change in climate is that we are going to have to build these relatively expensive plants in order to protect water security for communities. In this case, it is in a location that not all the community is supportive of, although the science does back the location.

It is unfortunate to have to spend the public's money—and water users will be paying for this across the state—on an expensive piece of infrastructure in order to protect the water security of a town and also irritate a proportion of that town through its location—such is the life in politics. I will ask the chief executive if there is any more specific detail about that update that would be of use.

**Mr RYAN:** There is probably not a lot more to add except we were all, I guess, hopeful that with some further rain in the catchment we may have seen a lessening of the risk, we may have seen a change in terms of groundwater levels and so forth, but we just did not see that in the last collection of data we had. We will continue to update that every year now.

Certainly, with the work that we have been doing and the further investment we have made there—we have more bores there—we have a better understanding of the modelling, etc., so we are gaining confidence all the time in the results that are coming out of that modelling and particularly with the independent review that has also been undertaken. At this stage, we have not seen any positive change, I guess you would say.

**Mr COWDREY:** When was the last collection taken?

**Mr RYAN:** Approximately, it would be around November. We always wait until the end of the filling season. I may have my months slightly wrong; it may be October-November but broadly towards the end of the year.

**The Hon. S.E. CLOSE:** After winter, in the hope that it might be looking more sustainable for a little bit longer, but it was not.

**Mr COWDREY:** Are you able to outline why an independent review of that data was undertaken? Is that a lack of confidence in DEW's ability to provide insight into—

**The Hon. S.E. CLOSE:** Not at all. It is the appropriate scientific approach. If you can do a review of science, then you probably should, particularly when such significant decisions are being made and ones that the community are not fully embracing. We are very fortunate to have such good groundwater science at Flinders University too. It is really an asset for the state.

**Mr COWDREY:** So you are incredibly comfortable and confident in the projections in terms of the time frame that is necessary to be met here?

**The Hon. S.E. CLOSE:** Yes. It is the best available science, and we have to make reasonable and sensible decisions on that basis.

**Mr COWDREY:** When does the government anticipate providing further detail to the committee in regard to the total cost of the project?

**The Hon. S.E. CLOSE:** We are not giving a figure prior to tendering because we want companies to tender their best price, but we are about to go out to market, so we will all know relatively soon.

**Mr COWDREY:** Are you able to advise how much SA Water has been expended on the project so far?

**The Hon. S.E. CLOSE:** We will be able to advise that. We do not have it with us today.

**Mr COWDREY:** In regard to the expected time frame of completion, obviously March 2026 is noted in the budget papers. Is it still the expectation that the desal plant will be operational by March 2026 and supporting the community?

**The Hon. S.E. CLOSE:** It will be in that first half of 2026. March is ideal. With big projects, I am loath to be as precise as that, but we need it by then.

**Mr COWDREY:** To shift to another desalination plant, again in the same table, the Kangaroo Island desal plant, are you able to provide an update in regard to that project in the same regard—time frame and cost?

**The Hon. S.E. CLOSE:** I will ask the chief executive to give a brief update on that. I just want to note, particularly with the local member in the room, the community forum that we had for cabinet last week on Kangaroo Island. One of the people I had met with in April last year—I subsequently discovered I had COVID. I did not give it to this gentleman, so I felt relieved about that. He came specifically to the forum in order to publicly thank us for the responsiveness of SA Water in adapting some of the project to better reflect the concerns of nearby residents, so I was very happy to pass that on to SA Water. It is not often that utilities get compliments.

**Mr RYAN:** This project now remains on track for completion from mid-2024. There are a whole range of activities that are underway. They range from the civil work, construction, etc. of the desalination plant itself at Penneshaw, and then we have a range of both trunk network stages that are undergoing and also getting that network down into the local communities as well. All of that is on track, and we are continuing on. It was great to hear that feedback. We have had wonderful support from the local community there, including lots of interest in connecting up to the desalination plant and connecting to that water source.

**Mr COWDREY:** In regard to the same table on page 72, the Breakout Creek project, are you able to provide an update in regard to time frames and budgets—the same essential question—in regard to that project?

**The Hon. S.E. CLOSE:** The role that SA Water plays in this is as the construction authority. It is a Green Adelaide project. The majority of the construction is due to be completed by August 2023. I believe you are the local member for that area.

**Mr COWDREY:** I am.

**The Hon. S.E. CLOSE:** So you are aware that the councils have contributed additional funding, as has the government, in order to make sure that it is successful.

**Mr COWDREY:** Yes. In regard to the time frame, August 2023—so within the month essentially?

**The Hon. S.E. CLOSE:** That is the majority of the construction, given that SA Water's role is as the construction authority. There may be more work that Green Adelaide would tell you about if they were here to advise me.

**Mr COWDREY:** When you say the majority of the work, SA Water essentially sees that their role or their footprint on the project will be removed by the end of August?

**The Hon. S.E. CLOSE:** Because it is not SA Water's project, we do not want to be definitive, but they are expecting that the major civil works being undertaken by SA Water as the construction authority will be completed in August.

**Mr COWDREY:** In regard to the second river crossing that was removed from the project, the one that was meant to be west of the one that is going in, is there any reasoning that can be provided to the committee in regard to the removal of that river crossing?

**The Hon. S.E. CLOSE:** We do not have that level of detail here. Although it is straying across two budget lines, I am happy to take on notice an update on the project from both Green Adelaide and SA Water for you, including that particular question you have just asked.

**Mr COWDREY:** I understand. This is in regard to feedback, there being no communication from SA Water or Green Adelaide to the community whatsoever prior to the removal of that river crossing from the project; it was simply announced in one of the most recent updates to the project.

**The Hon. S.E. CLOSE:** I take that feedback, thank you.

**Mr COWDREY:** I just wanted to put that out there. If a response could be prepared in regard to that statement as well, that would be appreciated.

**The Hon. S.E. CLOSE:** Thank you.

**Mr COWDREY:** In regard to the regulatory determination period, will the minister make clear her approach to the RAB for the whole of the reg-setting period, particularly in regard to the determination assessment of the regulatory asset base?

**The Hon. S.E. CLOSE:** We—when I say 'we', SA Water and the SA Water board—are still very much in the process of finalising the regulatory determination proposal, so it would be premature to be talking about any specific elements of that while the board works its way through.

**Mr COWDREY:** Other than changing the dates, will the minister be making any further changes to the ministerial direction to apply to SA Water over the regulatory period?

**The Hon. S.E. CLOSE:** I am yet to make a decision about that.

**Mr COWDREY:** When it comes to you? I ask one further question on the regulatory determination, if that is okay. Do you know when that decision will be made?

**The Hon. S.E. CLOSE:** ESCOSA is expected to make its final decision in May 2024. SA Water will put its proposal in around August.

**Mr COWDREY:** This financial year.

**The Hon. S.E. CLOSE:** That is right. So in the next couple of months, the proposal goes in and then in May of next year ESCOSA is due to make its decision.

**Mr COWDREY:** Will you be making public your determination?

**The Hon. S.E. CLOSE:** Any government section 6 will be gazetted and therefore will be public.

**Mr COWDREY:** Sorry, to be clear, I am talking about the ministerial direction as opposed to—

**The Hon. S.E. CLOSE:** Yes, indeed. It is a ministerial direction; being a section 6, it is gazetted, so it will be public, yes.

**Mr COWDREY:** So you are still considering your decision in regard to the ministerial direction—

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

**Mr COWDREY:** —which will be necessary to have been completed by August. In regard to reservoirs, Budget Paper 3, page 63, does this government have any plans to expand or enhance the offerings at any of our reservoirs?

**The Hon. S.E. CLOSE:** There is no funding program for more works. In fact, SA Water is still paying for managing the opening of the reservoirs for which it receives no government funding, so it is carrying that expenditure. At present, there is none, although local members occasionally have useful suggestions, and it could well be that there will be additional projects in the future but not in this budget period.

**Mr COWDREY:** Can the minister rule out any reductions in offerings in reservoirs in the future?

**The Hon. S.E. CLOSE:** I can rule out any intention to. Obviously circumstances can alter for various complex reasons with water security, but I see no reason for that to occur.

**Mr COWDREY:** In regard to visitation numbers to the reservoirs, are you able to provide us with an update in terms of visitation?

**The Hon. S.E. CLOSE:** The most recent update I saw was that we had hit a million people, which was relatively recent. On 31 May 2023, it was 1,042,955 visitors.

**Mr COWDREY:** Do you have particular numbers, though, for each of the reservoirs? Is there a breakdown by financial year?

**The Hon. S.E. CLOSE:** I am sure we do because we would not have been able to derive that without knowing what was happening at each, but we do not have it with us, so I am happy to give that to you later.

**Mr COWDREY:** Is there an expectation for visitation to grow in the future? What is the government's ambition in regard to visitation for the reservoirs?

**The Hon. S.E. CLOSE:** I think we can all agree that it has been a very successful program as far as public enjoyment of going to reservoirs, so I would anticipate that, if anything, the numbers will go up. Obviously occasionally it is seasonally dependent and climatically dependent. If we have wet, cold winters or very hot, dry summers, people are less likely to get out there, but I would expect that generally this has become woven into Adelaidean's lives, that it is something they like to do and that it will continue to be a successful program.

**Mr COWDREY:** Was there a reason that there was no public marking by SA Water of the millionth visitation to our reservoirs? It seems a rather significant—

**The Hon. S.E. CLOSE:** I think the reason I know about it is that SA Water put out a press release about it.

**Mr COWDREY:** There was no event or anything held at any of the reservoirs to mark that occasion?

**The Hon. S.E. CLOSE:** SA Water is a big water utility doing a lot of very serious work, particularly concerned at the moment with making sure that the desalination plants are being prepared for water security for regional areas and preparing a regulatory determination. It has been required by the previous government to absorb costs that it would not normally, I think, be required to do to run the reservoirs. I am sure individuals are happy that the reservoirs program is so popular, but it is probably not seen as core business for SA Water to be doing celebrations while it is concentrating on water security.

**Mr COWDREY:** SA Water also attends a range of country fairs and provides water bottles and a range of other memorabilia to members of the public. In terms of further promotion and to the objectives of opening up our reservoirs, I would have thought it would have been sensible for there to be some sort of driver of not only the news but also promotion that the reservoirs are open.



**The Hon. S.E. CLOSE:** We are all entitled to opinions, and it is an opinion you are perfectly entitled to hold. I would say that when I see some of the material that SA Water is providing to the public it is often about reminding people that they do not need to buy expensive bottled water, that they can take a re-usable bottle and use tap water. When I was growing up—which is much longer ago than when you were—Adelaide water was pretty dreadful to taste, but now it is much better. I think part of the promotion that occurs is to encourage people not to waste their money on expensive bottled water unnecessarily.

**Mr COWDREY:** We all grow older each day, minister. Are you able to provide any update in terms of fish stocks within our reservoirs?

**The Hon. S.E. CLOSE:** Given the constructive tone, I will endeavour to seek that. It is not something run by SA Water; we believe fish stocking is done by PIRSA, but I will get the information for you.

**Mr COWDREY:** Are there are updates, though, in terms of fish stocks that are communicated at each of the sites?

**The Hon. S.E. CLOSE:** Again, that is not something SA Water is responsible for, but I will get information for you.

**Mr COWDREY:** Are you able to provide us with any idea, in terms of context or contrast, of the visitation to reservoirs projected for the next financial year? I assume you do keep projections.

**The Hon. S.E. CLOSE:** No, we do not project; it is not core SA Water business to do that. Interestingly, though, when I look at the growth in visitors, in 2020-21, it was 156,000; in 2021-22, it zoomed up to 432,000; and then it just dropped off a bit, with 2022-23 to under 400,000. It is interesting how much that is to do with COVID and people wanting to get out and how much it is to do with the seasonal effect and whether or not you feel like walking around a reservoir that day. These things all bounce around, but it is not something SA Water is preoccupied by.

**Mr COWDREY:** In regard to Budget Paper 3, page 72, the same table again, it is noted that SA Water has a significant capital program with a heading of future years. Are you confident that the most recent board appointments being made are robust and merit based?

**The Hon. S.E. CLOSE:** Am I confident that the SA Water board appointments are good ones? Yes. I am not quite sure about the jump from where the process was robust to the capital expenditure, but I will ask the chief executive to run through the board appointment process because it was managed in a very professional way and without any input or suggestions from me or my office on who ought to be on board.

**Mr RYAN:** In terms of the process, we went to the market and sought external recruiters, and we got an external recruitment partner. We advertised, including, I am fairly certain, in *The Advertiser* as well. We really wanted to spread that net as wide as we possibly could to get suitable people for the board. We then went through a fairly standard process, where the external recruiter would interview those candidates. They were then interviewed by our Chair and other directors, not by me, after we had gone through a shortlisting and longlisting process, etc. It was a fairly standard sort of recruitment process, similar to what we have run for some of our key roles within our organisation.

**Mr COWDREY:** No names were added or suggested or encouraged to apply through SA Water or through the minister's office?

**The Hon. S.E. CLOSE:** SA Water people may well have suggested useful people to go on, but I personally did not say yes or no to any of the people or suggest anyone. I think I asked if we could make sure that we paid attention to gender diversity, and also whether it was possible to find someone from a First Nations' background to add to an understanding of the water security concerns with our Aboriginal communities, although I do not believe they ultimately were successful. But I adopted a pretty hands-off role.

**Mr COWDREY:** So there was absolutely no input from you or your office whatsoever in that process?

**The Hon. S.E. CLOSE:** No, what happens is that the chair goes through the process, makes a decision on the recommendations after that process that has just been described, and then they came and ran through the names with me and I said that they sounded like they were very respectable and useful board contributors.

**The CHAIR:** That is the last answer for this session. The allotted time having expired, I declare the examination of SA Water complete. The proposed payments for the Department for Energy and Mining are now complete and the examination of the Administered Items for the Department of Treasury and Finance are adjourned until tomorrow. I propose to open in a moment the portfolio of the Environment Protection Agency. I will give the minister an opportunity to get some new advisers.

#### **Membership:**

Mr Batty substituted for Mrs Hurn.

#### **Departmental Advisers:**

Dr J. Gorvett, Chief Executive, Environment Protection Authority.

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

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

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

Mr A. Pruszinski, Director, Operations, Environment Protection Authority.

**The CHAIR:** For the purposes of this part of the committee, it is the Environment Protection Authority. The minister appearing is the Minister for Climate, Environment and Water. The proposed payments remain open for examination. I call on the minister to make a statement and to introduce her advisers.

**The Hon. S.E. CLOSE:** Thank you, Chair. I will not be making an opening statement, but I will introduce my advisers. On my left, I have Jon Gorvett, who is the Chief Executive for the EPA; and on his left is Richard Jacka, who is the CFO. On my right, I have Keith Baldry, who is the Director of Science and Systems. Behind me are Kathryn Bellette, who is the Director of Policy, and Andrew Pruszinski, who is the Director of Operations.

**The CHAIR:** The lead speaker for the opposition is the member for Colton. Do you wish to make a statement?

**Mr COWDREY:** No.

**The CHAIR:** The floor is yours, sir.

**Mr COWDREY:** Thank you, Chair. I refer to Budget Paper 3, page 23, operating expenses. Are you able to provide an explanation to the committee as to why the department overspent its 2022-23 budget of \$33 million to \$35 million?

**The Hon. S.E. CLOSE:** It was not overspend; it was additional allocations that were journalled in during the year for various activities, including Boss uranium and also some management of waste barrels that were legacy barrels that were leaking, and we were given additional funding to deal with those. So none of it represents an overspend; it is all about additional activity for which were given permission to spend additional money, and money was journalled from Treasury into us.

**Mr COWDREY:** Are you confident that the budgeted expenditure in future years is sufficient for the EPA to undertake the activities going forward?

**The Hon. S.E. CLOSE:** I am confident that the EPA will not overspend its budget. It may be that it appears like this again, where there is journalling that occurs during the year but not that there is a reckless overexpenditure by the agency.

**Mr COWDREY:** In regard to the two projects that you have referenced as being provided with additional funds, are you able to outline for the committee the total quantum of, and reason for, those funds?

**The Hon. S.E. CLOSE:** We will take on notice the additional activity with the uranium company, but the waste hazard, which is about \$600,000 of the money, was about dealing with a legacy program called the Household Hazardous Waste and Farm Chemicals Program, which was undertaken on behalf of the state government. It was run by the EPA at the time, and there was a memorandum of understanding between the EPA and Green Industries SA to say that the EPA would be responsible for the management of the material historically collected and stored in 106 drums.

Among the drums there were 47 drums of organochlorine pesticide and 57 drums of what is called intractable wastes. They are classified as 'Class 6—Toxic and Infectious Substances'. The drums had been stored at a location at Gepps Cross, and it was discovered, when the EPA was notified by the companies doing that storage, that there was an odour that was being emitted and there was a concern that there was leaking. In order to deal with the drums leaking, we had to have them moved interstate, where they are able to manage those materials. That cost an additional amount of money, and it was agreed to journal money to the EPA in order to manage that.

**Mr COWDREY:** What was that additional cost?

**The Hon. S.E. CLOSE:** It was some \$680,000—so nearly \$700,000.

**Mr COWDREY:** Was the additional cost in regard to the information you were seeking approximately \$1.3 million?

**The Hon. S.E. CLOSE:** So the rest of it—and I gave the example of one company—was just additional revenue. If you look at the revenue, you will see that has gone up as well. There was more activity that was being regulated by the EPA, the additional revenue from the companies and additional expenditure in undertaking the regulatory processes associated.

**Mr COWDREY:** So those costs offset entirely?

**The Hon. S.E. CLOSE:** Not the haz waste; obviously that was additional money that we needed in order to deal with the leaking drums. Otherwise, it is just normal business. There is more activity that happens, more funds come in and that costs more to regulate, so more is expended.

**Mr COWDREY:** Well, that is not additional transfer from Treasury, so there was \$680,000 that was transferred to you from Treasury to deal with the haz waste issue?

**The Hon. S.E. CLOSE:** The journalling relates to expenditure authority, so we have to be given permission to spend more money that comes in.

**Mr COWDREY:** Yes, correct. So the 1.3 that is still missing here in terms of—

**The Hon. S.E. CLOSE:** I do not think it is missing. You have nearly \$700,000 for the barrels and then you have additional funding—

**Mr COWDREY:** So the 1.3 was entirely offset—okay, I understand. In regard to single-use plastics, referring to Budget Paper 4, Volume 2, Agency Statements, key agency outputs, the timing for the phase-out of single-use plastic items in South Australia has been delayed—e.g. the phase-out of plastic produce bags or barrier bags as they are more commonly known—until no later than March 2024 was previously the case. That has been shifted to September 2024. Are you able to outline the rationale for that change and delay?

**The Hon. S.E. CLOSE:** The responsibility for leading the policy decisions on single-use plastic bans is held by Green Industries, and the good news is we have them coming up very soon.

**Mr COWDREY:** Then we can take it up next session, that is not an issue. In regard to orphan sites, referring again to Budget Paper 4, Volume 2, Agency Statements, page 173, for context, I understand there have been some old tyres stored in abandoned tanks that caught fire in

February 2023. Under government policy there are circumstances in regard to the management of orphan sites in regard to contamination that present a managed or unmanaged risk to public health. Has the area known as The Tanks Rest Area in Lincoln Gap on Eyre Highway been designated an orphan site under the act?

**The Hon. S.E. CLOSE:** It is not an orphan site because it is owned by someone who is known to own it and in fact live adjacent, I believe. It is a complex matter because the costs for dealing with those tyres is beyond the owners, so the agency has been working with Treasury and the owner to determine how we can assist. Since 2020, there was a clean-up order, but the clean-up has not been complied with, so since 2021 the EPA has been exploring regulatory options. Of course, all of this was prior to the fire, which took place in 2023, wasn't it.

**Mr COWDREY:** February 2023.

**The Hon. S.E. CLOSE:** It was just this February. The year has gone so quickly. Three of the tanks out of the five were unaffected by the fire, and there are estimated to be in the region of 250,000 tyres in two of the tanks, in each of them, so 500,000 tyres. There is also burnt tyre waste in the fourth and fifth tanks, as well as elsewhere. The agency is working through a proper solution for this but is not yet in a position to discuss that publicly.

**Mr COWDREY:** When was the minister informed of the tank fire at Lincoln Gap?

**The Hon. S.E. CLOSE:** When it happened. It was in the news and I was informed that it was happening.

**Mr COWDREY:** Are you aware, or is the EPA aware, of any health risks to neighbouring properties as a result of the fire?

**The Hon. S.E. CLOSE:** The EPA do not directly advise on health impacts. They did work with the CFS on the consequences of the fire and how to manage the fire. The person who lives nearby has not exhibited any health effects that we are aware of, but the advice the EPA gave was that should they feel that they needed to seek medical attention they should do that.

**Mr COWDREY:** Has any expert scientific advice been provided by the EPA to you as minister, or prepared by the EPA, in regard to potential health risks resulting from the fire?

**The Hon. S.E. CLOSE:** The EPA had air, water and odour scientists undertake some testing of the area to see if there was anything that triggered a concern and there was not, but I do have to be clear that the EPA does not specifically offer health advice. What it did identify was that the groundwater required management.

**Mr COWDREY:** So there was no risk outside of groundwater identified through that advice that was provided?

**The Hon. S.E. CLOSE:** During the fire, obviously in any fire, smoke is hazardous, but when the EPA became involved, which was after the fire was completed, there was not any trigger that the EPA identified from the investigations it did, other than, of course, that the groundwater had been affected and therefore required management.

**Mr COWDREY:** Will the government be providing any assistance to neighbouring residents who have been forced to leave their houses, in particular the Nutt family, who are elderly and vulnerable?

**The Hon. S.E. CLOSE:** I am not sure what advice has been provided to the neighbours, so I will take that on notice.

**Mr COWDREY:** In regard to the groundwater issue you have identified, is that groundwater issue entirely contained within the property where the fire took place, or has the EPA identified that the groundwater issue may impact on surrounding properties?

**The Hon. S.E. CLOSE:** It was entirely contained on site.

**Mr COWDREY:** Is the minister aware of any ongoing health risks for any surrounding neighbours or homes?

**The Hon. S.E. CLOSE:** As I say, the EPA does not give health advice. The EPA has undertaken some studies and, with its scientists, has identified that there is groundwater that requires management, but it has not identified any other issues.

**Mr COWDREY:** Is the minister able to provide any further information in regard to what the EPA has planned in regard to relocation or potential other locations for the storage of these tyres?

**The Hon. S.E. CLOSE:** No, this is a live discussion at present, and I do not think it is appropriate to air it publicly while those negotiations and discussions are occurring.

**Mr COWDREY:** In regard to the St Kilda mangrove, Agency Statements, Budget Paper 4, Volume 2, page 173, the key agency outpoints and dot point 1 in particular, can you provide an update on the situation at the St Kilda mangroves?

**The Hon. S.E. CLOSE:** The mangroves are managed by DEM. They have input from DEW and to a degree the EPA as well, but DEM is the lead and, in the interests of making sure that advice is consistent, I would recommend asking that minister.

**Mr COWDREY:** How much by way of EPA resources has been spent to date monitoring the St Kilda mangroves?

**The Hon. S.E. CLOSE:** We do not have that information here. I am not sure if we identify it separately; if we do, I can provide that on notice.

**Mr COWDREY:** Does the EPA have any concerns in regard to that site, particularly in regard to potential dieback? A number of predictions were made publicly regarding environmental damage to the site. Is the EPA aware of whether these have eventuated, and does it actively monitor the issue?

**The Hon. S.E. CLOSE:** The government generally is very concerned about the site. The dieback that occurred a couple of years ago has not continued to occur. The damage was done. The monitoring is active and coordinated through DEM, and they are the appropriate agency to give an update on the status and where it is likely to go next.

**Mr COWDREY:** Have there been any changes in regard to the EPA's role in managing the site or in regard to collecting information at the site? Have there been any changes since the change of government in regard to how the site is managed and the role of the EPA on that site?

**The Hon. S.E. CLOSE:** Obviously, the EPA does not specifically manage the site. Since the change in government—although I think this may well have occurred even without the change of government; it is just the progress of time since the dieback event—there has been an increasing focus for the agencies involved, under the leadership of DEM, on ways in which they can coordinate to ensure that there is an adequate monitoring regime and that there are agreed views on how different triggers are responded to.

**Mr COWDREY:** If I shoot back to single-use plastics, again the budget reference used earlier on page 172, there is at least one question that I think is directly relevant to the EPA in regard to expiations. Have there been any expiations made under the single-use plastic legislation by the EPA?

**The Hon. S.E. CLOSE:** No, there have not.

**Mr COWDREY:** Does the EPA expect to make any in future years? Has there been any budget allocation for that in terms of revenue in future years?

**The Hon. S.E. CLOSE:** No, it has not been identified as a separate item, and there is no way of knowing whether there will be an egregious case of someone flouting the law, but at present the EPA has been very much focused on education, on feedback, rather than on seeking to have a punitive regime.

**Mr COWDREY:** In regard to Agency Statements, Volume 2, page 173, has the EPA any plans, or has the EPA ever had plans, to use any of the science that may originate from the DEW Citizen Science Fund as part of its ongoing operations?

**The Hon. S.E. CLOSE:** Without being able to speak definitively for every member of the EPA in terms of any engagement it may have had, the EPA is aware of the Citizen Science Fund but has not actively participated in it.

**Mr COWDREY:** I might turn to the member for Chaffey for the omnibus questions.

**Mr WHETSTONE:** The omnibus questions are:

1. For each department and agency reporting to the minister, how many executive appointments have been made since 1 July 2022 and what is the annual salary and total employment cost for each position?

2. For each department and agency reporting to the minister, how many executive positions have been abolished since 1 July 2022 and what was the annual salary and total employment cost for each position?

3. For each department and agency reporting to the minister, what has been the total cost of executive position terminations since 1 July 2022?

4. 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 since 1 July 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?

5. For each department and agency reporting to the minister, will the minister provide an estimate of the total cost to be incurred in 2023-24 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?

6. For each department and agency reporting to the minister, will the minister advise whether it met the 1.7 per cent efficiency dividend for 2022-23 to which the government committed and, if so, how was the saving achieved?

7. For each department or agency reporting to the minister, how many surplus employees are there in June 2023, and for each surplus employee what is the title or classification of the position and the total annual employment cost?

8. 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 and, for each position to be cut, its classification, total remuneration cost and the date by which the position will be cut?

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

- What savings targets have been set for 2023-24 and each year of the forward estimates; and
- What is the estimated FTE impact of these measures?

10. For each department and agency reporting to the minister, will the minister advise what share it is receiving 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 is being used in each case?

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

- What was the actual FTE count at June 2023 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?

12. For each department and agency reporting to the minister, how much is budgeted to be spent on goods and services for 2023-24 and for each year of the forward estimates?

13. For each department and agency reporting to the minister, how many FTEs are budgeted to provide communication and promotion activities in 2023-24 and each year of the forward estimates and what is their estimated employment cost?

14. 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 2023-24?

15. 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 June 2023 and budgeted expenditure for 2023-24, 2024-25 and 2025-26?

16. For each grant program or fund the minister is responsible for, please provide the following information for the 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.

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

- Is the agency confident that you will meet your expenditure targets in 2023-24;
- Have any budget decisions been made between the delivery of the budget on 15 June 2023 and today that might impact on the numbers presented in the budget papers which we are examining today; and
- Are you expecting any reallocations across your agency's budget lines during 2023-24, if so, what would be the nature of this reallocation?

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

- What South Australian businesses will be used in procurement for your agency in 2023-24;
- What percentage of total procurement spend for your agency does this represent; and
- How does this compare to last year?

19. What protocols and monitoring systems has the department implemented to ensure that the productivity, efficiency and quality of service delivery is maintained while employees work from home?

20. What percentage of your department's budget has been allocated for the management of remote work infrastructure, including digital tools, cybersecurity and support services, and how does this compare with previous years?

21. How many procurements have been undertaken by the department this FY, how many have been awarded to interstate businesses, and how many of those were signed off by the chief executive?

22. How many contractor invoices were paid by the department directly this FY? How many and what percentage were paid within 15 days, and how many and what percentage were paid outside of 15 days?

23. How many and what percentage of staff who undertake procurement activities have undertaken training on participation policies and local industry participants this FY?

**Mr BATTY:** I return to Budget Paper 4, page 175, which refers to the review of South Australia's container deposit scheme. I am just wondering if the minister can provide an update on that review.

**The Hon. S.E. CLOSE:** I will ask Kathryn Bellette to give some more detail, but there are two elements to what is happening with the CDS. One is a question of scope and harmonisation that really, I think, belong properly at the commonwealth level across Australia, although Queensland has just gone off and added wine bottles, despite having been part of what I thought was a discussion at the previous ministerial council that it would be best to do that collectively—not wine bottles specifically, but scope shifts collectively, now that the other states have finally joined us. The other element is more properly ours, which is the governance regime.

As proud as we are that we have the oldest system—as we should be—nonetheless, what it means is that there are other ways of managing the systems that have developed since that might be useful. In terms of the rollout of a revised management system, I will just turn to Kathryn Bellette to give some feedback.

**Ms BELLETTE:** Thanks, minister. We have plans to basically modernise the scheme. As you would be aware, it has not really changed since 1977. We are trying to digitise it so that people can have access to electronic funds and also move from using weight. Weight is problematic because it changes over time with technology and the composition of bottles. We are trying to change from weight to count and have each depot come through to a single portal. So it is modernised in terms of speed and also accessibility and transparency of the information—both the material flows in terms of bottles right through to how they get recycled and enter markets for recycling—but also transparency of the financial transactions between all the different parties.

So in that way we are trying to modernise it. We are also trying to modernise in terms of governance. At the moment, it is fairly well run by private parties, so trying to improve the governance takes quite a bit of time because it is very complex in terms of the legal and commercial agreements between all of those parties. We are on track, but it takes a little bit of time to sort out all of those agreements between all of the multiple parties.

**Mr BATTY:** What sort of time line are you working towards for these reforms?

**Ms BELLETTE:** It really depends on those commercial agreements and getting legal advice tidied up on all of those. Once we have that tidied up, we can proceed.

**Mr BATTY:** The minister mentioned attempts at national harmonisation. Do you support national harmonisation when it comes to including wine bottles in the CDS?

**The Hon. S.E. CLOSE:** We talked about this at estimates last year as well. I support national harmonisation because I think when you have industry involved in producing products, producing labels and having to pay an administrative cost associated with it, it is far simpler for industry to have one rule. So, yes, in principle I do. I have always been concerned about the impact on the wine industry. I think that the wine industry, not deliberately but through fear, exaggerates the likely impost. I am so aware of the impacts of the excessive amount of wine available, China cutting itself off, and the increased duty that the UK put on as a quid pro quo for the free trade agreement.

I appreciate that they are at a particularly delicate point, and I am not wanting to cause additional pressures to what is occasionally our biggest export industry—wine and international students vie for which one is the biggest in South Australia. I had been content to allow the discussions to continue at the federal level and to see how things were shifting and whether we could get some more comfort also for the wine industry in that process. Now Queensland have decided to go ahead, and it will happen this year. They do not essentially have a wine industry. I am probably being very rude; there probably are some wineries but, seriously, in comparison to South Australia they do not have a wine industry.

What that will do is give a taste to the South Australian wine industry of what the impact is, because they will be required to comply with whatever is going on in Queensland. At the same time, I think we all have to recognise that putting glass into the commingled bin is not a satisfactory way of dealing with glass. The percentage that gets recycled properly to be re-used is about 7 per cent



in the bins, but it is not far off 100 per cent when you put it through the depots through the CDL process. So that argues for doing things differently from way we are doing them now.

Victoria has decided in its wisdom to have a fourth bin which, of course, is an immense impost of cost in collection, and the LGA understandably does not support that approach. It does make an additional complexity for households and particularly ones where there is a lot of dense living. How they will manage that in Melbourne I do not know. So all these problems were being discussed and then Queensland went ahead. What we will do is watch carefully with the impact of that, see if that can give any more comfort and make a decision at a judicious point in time.

**Mr BATTY:** Notwithstanding Queensland going it alone, do you think efforts at harmonisation are progressing and might progress? In any event, will there be a situation where South Australia might be like Queensland and go it alone?

**The Hon. S.E. CLOSE:** I have been very clear with the wine industry that we would not go it alone on wine. That would seem to be particularly harsh, that if the rest of Australia were going to do it then it would be absurd in terms of labelling and management to leave South Australia out. So we will see how this evolves now that Queensland has gone ahead. Generally, as I said, I do believe in harmonisation, and there are other items that can and will be looked at, not just wine.

**Mr BATTY:** Turning to the EPA's wider role in improving waste management, on the same page, does the government have an ongoing interest in diverting food and organic waste from landfill?

**The Hon. S.E. CLOSE:** Yes; although the policy work there is led primarily by GISA but, of course, diversion of something like 40 per cent of the bins picked up from households that go to landfill are food waste, which is literally a terrible waste. We have been very supportive, through grants and through GISA, for councils to be able to trial different collection methods in order to increase the amount of FOGO, food and organic waste material, being collected.

**Mr BATTY:** I turn to page 172 of Budget Paper 4, Volume 2, workforce summary. We can see that in the last two years staff employed by the EPA have increased from 184 in 2021-22 to this year being budgeted to be 212. What are the additional 27 staff employed in those two years being employed to do?

**The Hon. S.E. CLOSE:** I think the actual for 2021-22, being 184 staff, had been budgeted to be 204, but with staff that come and go we were not able to quite maintain that level. The result for 2022-23 was estimated to be 206, but we think that is actually more like 194. Then the budget is to increase to 212, which is associated with shredder floc regulations. One of the budget measures was to lower the waiver for waste levy for shredder floc, and the purpose for doing that is to better manage that industry. We put additional people on in order to provide better regulatory efforts to support those companies that are doing the right thing.

**Mr BATTY:** Are those roles vacant or are they filled roles?

**The Hon. S.E. CLOSE:** What is it, the 3<sup>rd</sup>? I don't know why they haven't been filled yet! No, we are in the process of getting ready to employ those additional people.

**Mr BATTY:** Turning to page 176, and the activity indicator about the number of regulatory interactions the EPA has undertaken, I think we were projecting 2,000 and last year it was about that, but the result is closer to 1,500. Is there a reason for fewer regulatory interactions?

**The Hon. S.E. CLOSE:** I will ask the chief executive to give an answer.

**Dr GORVETT:** The reduction in the number of regulatory interactions is a function of the high turnover of staff we have had in the last two years. It is not that the positions were vacant but, before staff can be let loose on the front line, if you like, they have to go through a period of training and qualifications, authorised officers, and so on.

Due to the turnover of staff over the last couple of years and the number of vacancies, the regulatory interactions have been below the previous target of 2,000. We have been through a process to ensure that environmental risk is not increased as a result of the reduced number of regulatory interactions, making sure we focus on the areas of highest risk.

**Mr BATTY:** Following on from there, on the radiation protection subprogram—which I think flows onto page 177—I see staffing has increased over the last year: in 2021-22 it was 12 and we are now up to 18 this year. Is there a reason for the significant increase in staff in this program?

**The Hon. S.E. CLOSE:** There are two elements: one is that they were carrying vacancies and they have been able to fill some of those vacancies, and the other is Boss uranium, which we talked about earlier, where we are regulating another entity and have regulatory effort associated with that.

**The CHAIR:** I am sad to say that is the expiry of the time. The allotted time having expired, I declare the examination of the Environment Protection Agency complete. The proposed payments for the Environment and Water portfolio will continue after lunch.

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

#### **Membership:**

Mrs Hurn substituted for Mr Whetstone.

#### **Departmental Advisers:**

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

Ms M. Heinson, Associate Director, Economic Growth and Sustainability, Green Industries SA.

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

Ms M. King, Manager, Finance, Green Industries SA.

**The CHAIR:** Good afternoon and welcome back. The portfolio for this part of Estimates Committee A is Green Industries SA. The minister appearing is the Minister for Climate, Environment and Water. The proposed payments remain open for examination. Minister, would you like to make an opening statement and/or introduce your advisers? After that, I will call on the lead speaker for the opposition to make a statement, if they wish, or go straight to questions.

**The Hon. S.E. CLOSE:** Thank you, Chair. We are over halfway; this is good. I would like to introduce the people who are advising me today. I will not be making an opening statement. On my left is Ian Overton, who is the Chief Executive of Green Industries SA, and on his left is Josh Wheeler, who is the Associate Director of Governance and Business. I also have Michaela Heinson, who is the Program Director, River Murray flood clean-up program, who is on my right, and behind us is Marissa King, who is the Manager of Finance.

**The CHAIR:** Lead speaker for the opposition.

**Mr COWDREY:** Thank you, Chair. In regard to Budget Paper 3, page 23, operating expenses for the agency, there was obviously a significant increase, from \$54 million to, I believe, \$99 million. Are you able to advise of the reasons for the overspend for the agency in this financial year?

**The Hon. S.E. CLOSE:** Again, I think this has come up a few times—although not particularly for me today—a concept of overspend. Additional expenditure had been anticipated when the budget was put together, which is associated in this case with the flooding that occurred. GISA is the lead agency for the clean-up and is making a significant contribution from both state funds and commonwealth funds to be involved in making sure that we are able to support people who have houses, including second houses, from the effects of that flood, so that is the explanation for the increase. Funding has been allocated, so I would not characterise that as overexpenditure.

**Mr COWDREY:** So the additional \$45 million was all flood related?

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

**Mr COWDREY:** Will any of this be clawed back in terms of the reason for the funding from the commonwealth's disaster management fund?

**The Hon. S.E. CLOSE:** The commonwealth is funding half the effort, and so the expenditure occurs with Green Industries and then they go to DTF to get that out of the fund.

**Mr COWDREY:** In regard to the additional \$45 million, that has all been spent in this financial year?

**The Hon. S.E. CLOSE:** In the last financial year, the one that finished a couple of days ago, we had spent an additional \$6 million, and then the remainder of that is expected to be spent in this financial year we have just started.

**Mr COWDREY:** Why has that been accounted for as operating expenses contributing to the 2022-23 financial year if only \$6 million has actually been expended?

**The Hon. S.E. CLOSE:** The estimated result is inaccurate to the extent that it had been expected we would spend far more on the clean-up before 30 June than in fact we have been able to spend. That will now roll into additional expenditure here when those figures are finalised, presumably in the Mid-Year Budget Review. That is to do with the immense complexity of the project and the fact that it has taken a degree of time to get through the assessment of the houses that may or may not be demolished and the extent of work that will be required. That is now accelerating, and we should spend that money reasonably quickly, I think.

**Mr COWDREY:** Is the \$6 million you have cited the estimated result as at preparation of the budget papers or as at 1 July?

**The Hon. S.E. CLOSE:** We are essentially dealing with a time lag of when the budget papers are prepared versus the actual 30 June. We are now in a position to say that that is the amount we have spent, and we will roll in the rest of the work after.

**Mr COWDREY:** Which is 6½.

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

**Mr COWDREY:** In regard to the Green Industries Fund, Budget Paper 4, Volume 2, page 172, what is the balance of the Green Industries Fund as of today or, if we want to use an easier point of reference, 30 June?

**The Hon. S.E. CLOSE:** The balance as of 30 June—interestingly, the tense of administration is 'projected to be', but obviously it was last week—is \$36.918 million. I assume that is accurate, even though it was obviously a projection at the point at which this brief was written, so it may be slightly different.

**Mr COWDREY:** What was the balance of the fund at 30 June or 1 July, whichever reference we are using, last financial year, or at the close of the 2021-22 financial year?

**The Hon. S.E. CLOSE:** If we look at Agency Statements, Volume 2, page 198, the very last line there is the balance. For 2022-23, the budget was \$75 million, the actual in the previous year was \$68 million, and we say the estimated result is nearly \$37 million. That may or may not be accurate, given that it may likely anticipate expenditure that is actually yet to happen on the Murray. In order to be completely clear, I think it best that we take on notice what the actual amount was at the end of last week, rather than using these estimated figures, which we have already demonstrated are slightly out of sync with what we have been able to spend on the Murray.

**Mr COWDREY:** If you could please take on notice the balance as of the 2022-23 end of financial year and of the previous year.

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

**Mr COWDREY:** Are you able to estimate how much was paid out of the fund last financial year?

**The Hon. S.E. CLOSE:** We will take that on notice as well, just because of the time lag issue.

**Mr COWDREY:** Are you able to explain how Green Industries pays out funds to groups? Are there any ways that transactions out of the fund occur outside of grants?

**The Hon. S.E. CLOSE:** Largely, money is spent through grant programs to business councils and community groups, but Green Industries does also directly contract with some organisations. For example, through the River Murray clean-up program, there is a contractual relationship with the company that is the prime contractor for managing that. With the single-use plastics program, we have contracted some people to assist on that. I am not sure if there is a specific area that you are interested in, but both mechanisms are used.

**Mr COWDREY:** In regard to any moneys that were paid into the fund via grants, has that occurred over the prior 12 months?

**The Hon. S.E. CLOSE:** Sorry, what was the question about, money in?

**Mr COWDREY:** Money into the fund: have there been any grants paid into the fund over the prior 12 months?

**The Hon. S.E. CLOSE:** The fund comes from the solid waste levy, rather than other sources, although as we spend money on the River Murray we will get that put back into that fund, half of it by the commonwealth. But I am not sure whether you would call that a grant. Maybe.

**Mr COWDREY:** In regard to grants that have been distributed through the Green Industries fund this financial year, are you able to provide a quantum as to the total expenditure and an outline of the five highest recipients in terms of grants?

**The Hon. S.E. CLOSE:** Just to give a flavour of the kinds of grants, the purpose of grants, that are funded, in 2022-23 there was \$3.4 million of committed funding—that is, new projects. At the same time in that year, we spent nearly \$16 million on providing grant money that had been committed to previously, because these are often multiyear projects.

So, with the \$3.4 million, there was nearly \$1 million for recycling infrastructure; \$568,000 for Business Sustainability Program projects; nearly \$800,000 on Regional Transport Subsidies, which is about helping local government in regional areas to deal with their more expensive waste and recycling expenses; nearly \$300,000 on kerbside performance food waste incentives; nearly \$400,000 on council modernisation grants; \$300,000 on Circular Economy Market Development Grants; \$160,000 on Charitable Recyclers Subsidy Program; and there was also \$7,000 for Women in Circular Economy Leadership award. That gives you a flavour.

In terms of some of the larger companies that have received funding, the Orora group have a glass beneficiation plant, which you have probably seen in your electorate, member for Schubert. The money there, the total grant amount from the South Australian government and the Australian government, so fifty-fifty, was \$8 million. Advanced Plastic Recycling, which is increasing its manufacturing capacity in plastics recycled, was fifty-fifty Australian and South Australian, \$1.2 million. Southern Region Waste Resource Authority, which was purchasing materials recovery facility equipment, was fifty-fifty, total \$3 million. That is the kind of grants programs that are provided in the quantum.

**Mr COWDREY:** Are you able to provide on notice a full list to the committee in terms of the grants that have been provided this financial year?

**The Hon. S.E. CLOSE:** Yes, they are in fact on the website, but we are happy to distil that and send it through to you.

**Mr COWDREY:** That would be much appreciated. If I could move on to the flood recovery activities that we touched on slightly earlier, are you able to advise in terms of the total tonnage of waste that has been removed to this point and if there is an estimate or a projection in terms of the total tonnage that will be removed from the Riverland as a result, or in the broader area, I should say?

**The Hon. S.E. CLOSE:** I will ask Michaela as the program director to speak to that, but I briefly remind everyone that the way we structured this was to have vouchers to enable people to go to transfer stations themselves, up to five free vouchers. We also ran a program of kerbside

collection, so as people were going up to their shacks on the weekend and emptying out the damaged materials and putting them on the kerbside we had waste contractors coming and picking them up. They were able to happen really quickly, and now that we have the prime contractor, who is working through all of the effort, there is even more material that is being both taken to landfill and recycled. I will turn to Michaela to give a bit of detail about the figures.

**Ms HEINSON:** To date, we have collected 6,592 tonnes of waste through the program and 29.9 per cent has been diverted from landfill. In terms of projected tonnages, because we have a lot of demolitions that are still to be determined with the property owners' consent, at this point in time we do not have projected figures in terms of tonnages; they will just be estimates.

**Mr COWDREY:** In regard to waste that has been collected, again down-flow through the river, do we have any estimate in terms of how much of the waste has come from interstate as opposed to South Australia?

**The Hon. S.E. CLOSE:** We do not have an estimate of what has come over the border, but the vast majority of what we are cleaning up is South Australian waste coming from people's properties. Of course, what the company that we have as the prime contractor has been able to do is start to survey along the river for detritus that has come down the river and then landed on someone's property. It might be a houseboat, it might be a bit of someone's shed, some wharfing material, trees. It cannot just be ignored; it has come down and landed on land. Some of that may have come across the border, but again the vast majority of it would have originated in South Australia.

**Mr COWDREY:** So the minister sees no need to ask for any contribution from any other states in regard to this?

**The Hon. S.E. CLOSE:** It certainly has not been raised as an issue, and I think unless we had the houseboat identified as being from interstate there is probably no justification for claiming that it came from elsewhere.

**Mr COWDREY:** If I can just shoot back to the Green Industries Fund referencing, and citing the previous reference in the budget papers, in an answer to a question on notice from the minister as of 1 July 2022 the fund had \$68,193,644 and had only distributed at that point in time \$37,000 as of 1 January this year. Has the output from the fund increased significantly over that time? As you have just referenced, there have been significant grant moneys that have come out of that fund. Was that simply a mistake that was provided in the question on notice, in that \$37,000 only was contributed out of the fund over that period?

**The Hon. S.E. CLOSE:** Taken on the face of it, the answer to the question on notice that you received does not make sense to me. I think you are saying that we had only spent \$36,000 by January from the Green Industries Fund.

**Mr COWDREY:** It basically said that between 1 July 2022 and 1 January this year \$37,000 went out of the fund only.

**The Hon. S.E. CLOSE:** I think we must have been answering a different question because clearly I have just read out the amounts of money that have been going out. What we will do is check back on what that question was and why we answered it in the way we did, and if there is an error we will fix it. We are speculating that it might have been a question about a different fund that is relating to food waste, but we will not speculate; we will have a check through and determine that.

**Mr COWDREY:** Perhaps we will try to source a copy of that to distribute around the committee, if we have time. Single-use plastics, and I take you to Agency Statements, Budget Paper 4, Volume 2, page 191, we discussed earlier about the shift, if you are happy to answer that question, around those particular bags and the delay or the shift of six months in regard to the specific delay in barrier bags being rolled out in South Australia, from March 2024 until September.

**The Hon. S.E. CLOSE:** I think there is no hard and fast rule about the March date; it is just that the first two rounds of single-use plastic product bans were in March two years in a row. The advice is that we felt that it was necessary to allow business a bit more time to adjust and therefore to give them a little bit more runway to get ready.

**Mr COWDREY:** In regard to plastic soy sauce—fish bottles I think we call them, I am not entirely sure, containers, capsules—that has been shifted to September 2025. Are you confident that that date will be met in regard to that particular packaging?

**The Hon. S.E. CLOSE:** The ones on the list for 2025—there is one September this year, then September next year and then September 2025, as you will be aware—are the hardest ones. That is why we have left them until the third year. At the moment, there are not easy alternatives for those that are fully biodegradable or recyclable. What we are expecting is that, particularly as South Australia is no longer alone in doing this, there are other states also coming on board with getting rid of single-use plastics, there will be then a market for a better alternative in Australia.

As we get closer to that, if there is not an alternative, we will have to have a community conversation about whether we get rid of them anyway. Our expectation is that the innovation that is occurring will mean that we ought to still be able to stick to that. There is a reason those ones in particular are in that third year: they are challenging.

**Mr COWDREY:** If I shift to page 194 in regard to landfill diversion targets, has GISA shifted away from landfill diversion targets, noting that the target is now set at zero?

**The Hon. S.E. CLOSE:** This is one of those anomaly years as a result of the amount of waste coming from the River Murray. Although we were expecting to increase diversion otherwise, we think it will be balanced out by the additional waste that is being generated. When I was up there a little while ago talking to some of the people involved in the clean-up, there are materials that might in other conditions be recyclable as demolition waste but, because they are sodden, full of mould and mixed up with other materials due to the power of the flood, they are simply not able to be recycled. Even though to date there has been a reasonably good proportion, we think that it is very likely that the amount of additional waste is going to cancel out the improvements in diversion.

People may remember back when we had COVID, particularly in that first year, 2020, that the figures went in the wrong direction and that that was largely because people were at home and cleaning things out. These occasional anomalies occur, and therefore we have set that at what we think is a reasonable target.

**Mr COWDREY:** Can you confirm that the target moving forward has not changed from the previous trajectory but for this financial year?

**The Hon. S.E. CLOSE:** There is no easily identified trajectory, because of the complexity of things like COVID and then a flood and also regulatory reform that drives more diversion. The effort that we are making at the moment on FOGO, and indeed councils are making significantly on food and organic garden waste, is useful and we think will continue to drive down what is put into the solid waste. But there are ons and offs that we need to be addressing. We are still for diversion the highest in Australia. We are really pushing the upper limits in comparison to the other states, which is excellent.

**Mr COWDREY:** Have there been any new programs established relating to education or otherwise around waste management and the circular economy in the past 12 months?

**The Hon. S.E. CLOSE:** I think the biggest change certainly that I have observed as a consumer has been the impact of the efforts to change the frequency of bin collection to facilitate more diversion of kitchen waste and garden waste.

**Mr COWDREY:** Are you able to outline any of the programs or priorities that Green Industries SA will likely support or fund in regard to improving kerbside collection systems, as you have just referenced, in terms of diversion of food waste or other waste in the coming 12 months?

**The Hon. S.E. CLOSE:** To illustrate how well the councils have been doing with grants, Holdfast, which was the first to take up properly the change in the collection time, has gone from 9 per cent of recycling of food waste to 62 per cent. We will be continuing that. It is not enough just to have three or four councils; we want to see more. That will be the major focus for our grant programs in the coming year.

**Mr COWDREY:** In 2023-24 and beyond, will Green Industries continue to support the Regional Transport Subsidies Program, which has provided valuable funding support for the transport and kerbside recyclables from regional council areas to subsequent recycling destinations?

**The Hon. S.E. CLOSE:** Absolutely we will continue to do that.

**Mr COWDREY:** I was hoping a copy of what was being circulated was going to make its way to you prior to the—

**The Hon. S.E. CLOSE:** Thank you.

**Mr COWDREY:** In the final 60 seconds I will let you take a look and see if there is any comment that you want to provide the committee in regard to that particular answer to a question on notice provided.

**The Hon. S.E. CLOSE:** We will investigate this. Thank you for providing it to me.

**The CHAIR:** Minister, I presume you are taking that on notice.

**The Hon. S.E. CLOSE:** I do take it on notice indeed.

**The CHAIR:** The allotted time having expired, I declare the examination of the proposed payments for Green Industries SA and the payments for the Department for Environment and Water and Administered Items for the Department for Environment and Water complete.

**DEPARTMENT FOR INDUSTRY, INNOVATION AND SCIENCE, \$67,109,000**  
**ADMINISTERED ITEMS FOR THE DEPARTMENT FOR INDUSTRY, INNOVATION AND**  
**SCIENCE, \$10,891,000**

**Membership:**

Ms Stinson substituted for Ms Thompson.

Mr Patterson substituted for Mr Cowdrey.

Mr Whetstone substituted for Mrs Hurn.

Hon. J.A.W. Gardner substituted for Mr Batty.

**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 A. Reid, Chief Executive, Department for Industry, Innovation and Science.

Ms P. Chau, Executive Director, Portfolio Delivery, Department for Industry, Innovation and Science.

Mr A. Dunbar, Executive Director, Research and Innovation, Department for Industry, Innovation and Science.

Mr C. Markwick, Executive Director, Industry and Workforce Capability, Department for Industry, Innovation and Science.

Ms K. Hunt, Director, Higher and International Education, Department for Industry, Innovation and Science.

Ms L. Newstead, Director, Strategic Policy and Migration, Department for Industry, Innovation and Science.

Mr M. Smith, Director, Finance and Investment Services, Department for Industry, Innovation and Science.

**The CHAIR:** The portfolio under examination is the Department for Industry, Innovation and Science; Workforce Development and Employment; and Higher Education. The minister appearing is the Minister for Industry, Innovation and Science. I declare the proposed payments open for examination. Minister, would you like to introduce your advisers?

**The Hon. S.E. CLOSE:** Yes, thank you, Chair. As previously, I will not be giving an opening statement, but I will introduce the advisers with me. On my left is Adam Reid, who is the Chief Executive of the Department for Industry, Innovation and Science. On his left is Callan Markwick, Executive Director, Industry and Workforce Capability. On my right is Andrew Dunbar, Executive Director, Innovation and Science. Behind us, we have Phuong Chau, Executive Director, Portfolio Delivery; Louisa Newstead, Director, Strategic Policy; Karen Hunt, Director, Higher and International Education; and Martin Smith, Director, Finance and Investment Services.

**The CHAIR:** The lead spokesperson at this stage is the member for Morialta. You can start, yes, go ahead.

**The Hon. J.A.W. GARDNER:** Thank you. I would like to go to Budget Paper 4, Volume 3, page 165, where there is a highlight that identifies the department 'facilitated the government's commitment to evaluating the feasibility of creating a new university for the future', and so on. I have a series of questions relating to that highlight, if that is of assistance to the Chair.

**The Hon. S.E. CLOSE:** I thought you might.

**The Hon. J.A.W. GARDNER:** Has the minister read the business case that was prepared by the universities in relation to informing their decision to proceed with the merger?

**The Hon. S.E. CLOSE:** There are a number of items of documentation that I think could be referred to. There is a feasibility study, as I understand it—whether it is the business case, feasibility study, whatever the title is—that went to the two councils that contains all of the case and a significant amount of commercial-in-confidence material. I have not received that full document.

However, there was a significant amount of material that was part of what went to the councils that also included commercial-in-confidence material that was provided to the government in the context of preparing the questions about the funding package that was announced yesterday and was able to be assessed on its merits.

That material, because it still contains a high degree of commercial in-confidence material, cannot be released. The two universities have released a transition plan, which again contains some of the elements of those documents. The two vice-chancellors have committed to producing elements of what might be called a business case for why a merged institution or a new university formed of the other two would be of merit in a way that does not compromise their competitive positioning. They have committed to producing that in the near future for public consumption.

I understand very clearly why there are questions about what government has seen and what we have been able to digest in the ways in which we have been able to make decisions about what we would like to do next. They are legitimate questions. We have to keep in mind that these institutions operate in a highly competitive market not only in Australia, although significantly in Australia, but also globally. They have mapped out a plan to grow substantially and they have a pathway to that growth.

It is not in our collective interests for them to compromise the way in which they plan to do that in a way that might facilitate competitors taking advantage of the transition time. It is, however, legitimate that the people of South Australia understand that the government has been able to assess the merits of the argument, that a larger institution would be of merit for South Australia, and also some of the detail that sits behind the rationale for each of the elements of the funding package.

Although that is quite a long answer, I think it is necessary because it is very easy to distil, 'Have you seen a thing called a business case and, if you haven't, then how can you make this decision?' If you take each of those elements separately, I am satisfied that we have seen sufficient



information, sufficiently of weight and justified, to justify proceeding with draft legislation for consideration by parliament—and, as I understand it, perhaps also an inquiry—and also to justify a package of support for the new university that has a relatively small amount of money that is simply expenditure now and a significant amount that is about facilitating what we believe to be strategically important to the future of the state.

**The Hon. J.A.W. GARDNER:** I take from that that the information that was provided, whether it is called a business case or a feasibility study—for the sake of today, let's just call it a business case—to the university councils that contains information relevant to their decision that was not provided to government. Am I correct in taking that from your answer? Let me ask in a different way. I appreciate the minister says she has not been given the document that was given to the councils the other night. Has anyone in government been provided with that business case?

**The Hon. S.E. CLOSE:** That document, I do not know how much it overlaps with the material that we have because I have not, by definition, seen it. It was a document that was provided to the councils because they have a fiduciary duty to make a decision about what is in the interests of their institution. So it is quite likely that it would have material that was shaped for the purpose of considering each individual university's future, and they may not have been the same document. We should probably take a little bit of time to get into this question of what universities are, what kind of entity they are because there is no analogy.

**The Hon. J.A.W. GARDNER:** It is getting quite philosophical, minister.

**The Hon. S.E. CLOSE:** But there is no analogy. They are not businesses and companies, nor are they government departments; they are universities with a very complex governance structure, which I think we probably should get into. The material that has been provided to government and is in the process in part of being made public for scrutiny, I think is sufficient to justify the steps that we are taking.

As I understand it, although I have been in estimates since 9 o'clock this morning, there is some discussion about ways in which an inquiry for parliament can be established so that the parliament is able to satisfy itself on that information before the next step is taken, which is the most significant step, which is whether or not we will create a new act; if we do not, there will be no new university. So there is still that time, that opportunity, to consider the merits and to make sure that members of parliament are equipped with the information that they require.

**The Hon. J.A.W. GARDNER:** In relation to that range of information from the universities to the department that the minister described as having informed the funding process, can the minister describe whether any analysis was undertaken by her department, or elsewhere within government, to form what might be considered a business case or a feasibility study from the point of view of taxpayers and the government?

To put it more clearly, the business cases the universities provided to their councils were to work out whether they considered it as being in their interests to proceed. The government's job is to work out whether it is in the interests of South Australia to proceed. It is a different question. Is there a government feasibility study other than the Labor Party's election promise for a university commission that informs whether or not this is a good deal for South Australia?

**The Hon. S.E. CLOSE:** Exactly, and I think you have made the point I was seeking to make earlier, that the documents may be different in the sense that a slightly different question is being asked. The information we have enables us to be confident that the modelling the universities have discussed, that was released yesterday to the public, of the economic impact of the new institution by the mid-2030s is a reasonable expectation. That modelling tells us that South Australia will benefit from this new institution—substantially.

**The Hon. J.A.W. GARDNER:** You talked about a range of information that has been provided to government by the unis, but they have not provided a business case. What is the nature of the information the universities have provided to government over and above the 19-page transition plan the universities released yesterday and the other material that is in the public domain already?

**The Hon. S.E. CLOSE:** So—

**The CHAIR:** Minister, can you hold on for a second. Member for Morialta, I want to give you as much latitude as I can, but I just remind members that they have to have a financial aspect to their questions.

**The Hon. J.A.W. GARDNER:** Sir, there is a direct budget line—

**The CHAIR:** Let me finish; don't interrupt. I didn't interrupt you.

**The Hon. J.A.W. GARDNER:** You interrupted the minister, sir.

**The CHAIR:** I didn't interrupt you, though. I just ask that your questions will at least try to have a financial component. If you want to ask questions just generally about the whole proposal we have question time for that; that is what question time is for. This is a specific opportunity to ask questions that have budgetary implications.

**The Hon. J.A.W. GARDNER:** Sir, the budget papers are detailed; there is a highlight that directly and specifically goes to this point: 'facilitated the government's commitment to evaluating the feasibility', and we are talking about the investment of \$440 million that has been identified as being within the budget. I think the question is entirely within order and I encourage—

**The CHAIR:** Member for Morialta, I actually determine whether questions are in order.

**The Hon. J.A.W. GARDNER:** Yes; and I ask you to allow it, sir.

**The CHAIR:** I suggest you rephrase it to make it look a bit more financial.

**The Hon. J.A.W. GARDNER:** In order to justify the \$440 million expenditure the government has provided, what analysis has been provided to that information and what is the nature of that information that has been provided to the government by the universities?

**The CHAIR:** You can do it when you try, member for Morialta.

**The Hon. S.E. CLOSE:** I feel I have substantially answered that question. Obviously the \$440 million does not sit in my budget line; nonetheless, I am happy to answer on behalf of the government about the assessment of the merits of this contemplation of a new university. As more information is able to be made public, ensuring that we are not compromising the competitive circumstances for the two universities, it will become clearer what sat behind the financial analysis that occurred and also the modelling that justifies the benefits for South Australia of the new institution.

I would like to add that for people who understand how universities work in Australia it is clear that larger universities are greater economic contributors. The fact that we have not had a large university in this state has been talked about for decades. This is not an idea that suddenly came out of nowhere six months ago, nor yesterday. This is an idea that has been interrogated and interrogated. In fact, there was a process that was started during the term of the previous government, although I am not sure what involvement the previous government had in those contemplations.

With the understanding that mass scale makes a difference, particularly in research, which provides the economic weight for the institution, and when we are talking about a high Group of Eight institution—and this new institution has already been invited to be part of the Group of Eight—then there is also the capability and the capacity for additional international students who will want to be part of a Group of Eight institution. Without going over the percentage that already is the international student representation for the University of Adelaide, it is clear that there are economic benefits.

The structuring of the package that was announced yesterday is one that in many ways could be described as 'no regrets'. So what is it doing? It is buying land, which is then an asset that is held by the government and can be used strategically. I think that is particularly important with the Magill campus because the University of South Australia, even without a merger, has been clear that it will be exiting that campus. Do we want that land to simply be bought by whoever wants to put their hand up in the market, or do we want it to be treated as a strategic asset by the state? I would rather the latter: it becomes a piece of land that has a value on our books.

Again, if we look at the \$30 million that is being put into international student attraction, at times—indeed, immediately before COVID—international students are our biggest export in South Australia. I suspect we are the only state where that is true. They are immensely important to us and of huge economic benefit, as well as the cultural interactions. The fact that we will be able to have more international students and we are putting some money into attracting them, again, can only be a good thing. There is \$6 million sitting in the actual budget lines that we are discussing this afternoon for StudyAdelaide to attract more international students across the board. This is something that we should do as a government. Other states are doing it, and we need to maintain our place.

Then we are talking about two funds that sit on government books that are going to be directed towards more research aligning with our strategic priorities and a broader diversity of students going to university. As a former education minister, you will well know that South Australia is undereducated, on average. Proportionally, we have fewer people with bachelor degrees than most of the other states. This is unsurprising, given our history and our relative poverty levels, but unacceptable for a sustainable future. How is there a regret in setting aside money to assist with that?

Given the way in which the funding has been structured, on the basis of understanding the economic benefits of a large institution and particularly the way in which this one will be structured, I think a 'no regrets' effort for supporting that is completely justifiable. If we are going to have an inquiry with members of parliament sitting on it, you will be able to see far more detail, and it is in parliament's hands whether we proceed with this or not.

**The Hon. J.A.W. GARDNER:** In relation to a couple of things that came directly from the minister's answer, what is the government planning on doing with the land at Magill? Will the community childcare centre, sports field, swimming pool and obviously the heritage building, in particular, be protected?

**The Hon. S.E. CLOSE:** That is a very legitimate question. The plan in the short term is to do master planning for the land on the other side of the road, so not the main Magill campus. That will be undertaken presumably by Renewal SA, who had input into the assessment of the merits of purchasing the land, so they will undertake that process. Then for I believe up to 10 years the university will remain on the campus side, giving lots of time to consider what will happen in the future, so we are able to think about this strategically in two parcels. The master planning will happen with the local community, there is no question, and heritage will be respected.

**The Hon. J.A.W. GARDNER:** In relation to campuses other than Magill held by the two universities, has the minister received any advice as to whether any of those campuses will be closed or indeed retained as a result of the merger?

**The Hon. S.E. CLOSE:** Mawson Lakes forms part of the agreement as well, so there is a purchase of rights to use the land that is not campus used at the moment. There are no immediate plans to do anything else with that. There will be at some point in the future a master plan in process that again would involve discussion with current users, but there are absolutely no plans to move forward with that at this stage. The university has committed to remaining with a university presence at Mawson Lakes, which I think is very important; indeed, the leadership of both universities have said that they wish to be more involved in the north of Adelaide as part of this effort to have a broader range of people studying at university.

There has been no indication to me that there would be any retreat from any other campus and, given that the plan is for greater accessibility and for growth, I would be surprised—other than that a logistical strategic repositioning might occur sometime in the future—that there would be no plan in the short term for altering campus composition.

**The Hon. J.A.W. GARDNER:** Directly on the budget line, whether it is the evaluation of the feasibility or indeed the minister's own discussions, is the minister able to advise us what the impacts will be on regional South Australia—whether existing campuses are guaranteed to stay open, including service delivery, current places and the emerging number of uni hubs that have started to become a feature?

**The Hon. S.E. CLOSE:** I think I started to get to that at the end of my last answer. The universities have indicated no interest in exiting and no plans to exit any other campuses. They have also been very clear that they are wanting to create a new university that will grow and grow in a way that attracts students currently not going to university. Some of those students are living in Adelaide, they are socially disadvantaged and they may come from culturally and linguistically diverse backgrounds—but many of the students will also be living regionally.

Into the future, will that always be done through a physical campus in a physical town? Who knows what the future of education will look like? The plan is that there will be more teaching not less, and there is no specific plan to remove any campuses that I am aware of, other than exiting the Magill site in the next 10 years.

**The Hon. J.A.W. GARDNER:** Again on the same budget line, the government has identified the \$440 million in various aspects of investment. As part of the minister's discussions to unlock that \$440 million, how much have the universities committed from their resources towards the transition and implementation of the proposal?

**The Hon. S.E. CLOSE:** I will take that on notice because I am uncertain about the extent of commercial confidentiality with that information.

**The Hon. J.A.W. GARDNER:** I will ask the straight question. Am I correct to take it from that that, whether or not we are able to identify that figure, a figure has been arrived at from the universities and confirmed with the government?

**The Hon. S.E. CLOSE:** There are extensive costs associated with making a transition.

**The Hon. J.A.W. GARDNER:** If the universities are making a commitment of their own, can the minister rule out state government funds being used to pay for redundancies of anyone losing their jobs as a result of the merger? I appreciate there has been a commitment of no forced redundancies for people who have contracts up until the middle of 2027, but beyond that?

**The Hon. S.E. CLOSE:** For two reasons: one is that I have described the support that we will be giving and none of that in any way is associated with giving the university money. Sure, we will work out how we best spend the \$30 million on the international student recruitment, and it may well be via the new university. But this is not about simply handing over cash and wondering how that will be spent.

The real answer, though, is one that was referred to, and that is that there has been a commitment to no forced redundancies. When the two vice-chancellors were asked about that in their press conference yesterday, as I have previously discussed with them as well—it is interesting to hear your own questions then asked by journalists—the commitment to the four years is in order to assure people that the transition will not be about making redundancies.

The plan for the university beyond that is for growth. There is an anticipated significant increase in staffing that will be required, but it is reasonable for the new institution not to have a mechanism under enterprise agreement that every other university has. It is simply returning to normal, but it is not something that is in any way being contemplated as, 'We will just save up positions for four years' time.' That is very clearly not the plan of the councils nor of the vice-chancellors.

**The Hon. J.A.W. GARDNER:** Has the minister or the government secured a commitment from the universities to transfer a particular number of casual staff to permanent contracts? If not, has the government secured any commitment in relation to the ongoing employment and future of those casual staff who, I understand, may be as much as a fifth of the workforce?

**The Hon. S.E. CLOSE:** There is no commitment that exists that is not publicly known, so we do not have that as a commitment from the universities, but having grown up around universities and worked at one, I am horrified at the extent of casualisation across all Australian universities. It is one of the implications of the way in which higher education has been treated in this country for some considerable time.

It is one of the features that I raised with Professor Mary O'Kane, who is undertaking the accord process, that seems to me for professional staff as well—but I would say particularly for

research and teaching academic staff—to be casualised in the early years of your academic career must be a huge disincentive to speaking up, to contributing and to thinking that this is your career and not be attracted elsewhere into industry. I am open for discussions about ways in which all of our universities can do better on that. I would hope that a stronger, wealthier Group of Eight institution would be more capable of employing people under better conditions.

**The Hon. J.A.W. GARDNER:** I will add an extra budget line to assist us, although the other one still applies, but on the previous page, page 163, there is a line that talks about industry, innovation and science having a cost of services. Part of that I think includes the unit within the minister's department that focuses on higher education policy, from memory in the order of \$1 million or thereabouts in its budget from last year's estimates.

Does that unit or has the minister's department more broadly received advice from the university or other sources about how many of their staff are casuals and, indeed, whether there is a vulnerability for those staff losing their jobs in this process, given that I assume they are not relevant for the no forced redundancy policy?

**The Hon. S.E. CLOSE:** I will take on notice whether we have been supplied with that information rather than starting to swap advisers around, but I would be surprised if either of the institutions are significantly different from the average Australian experience. There is no reason particularly why they would be.

I come back again to this creation of a new university from two existing ones having not come out of the ether on a whim. It is a response to the way in which higher education exists and is funded and is guided in policy terms in this country, one future of which is that research input is significantly dependent on international student income, which I do not believe any other advanced country chooses to do, and also the way in which funding works has encouraged the heavy use of casualised workers, particularly for teaching.

The most recent round of reform under the previous commonwealth government was a disgrace. It punished students for their choices by fiddling around with what the HECS fee was so that there was a disincentive to study things like social sciences and humanities, yet at the same time it also punished universities by requiring an additional I think it was 100,000 students to be taught with no additional money. While a student was being encouraged to study a STEM topic by dropping the HECS, the federal government did not replace the funding that they were losing from the student paying less so that it became a disincentive to teach a STEM course.

It was a completely absurd situation and just one example of why this is a rational response to try to get greater mass to do better teaching and better research that can only be better for the employment circumstances of the people there. I think federal governments should take some responsibility for the way in which they have treated higher education, for why universities are forced to go through what will be a very complex and time-consuming process. As I say, this did not come out of the ether. It is a rational response to the circumstances in which we find ourselves.

**The Hon. J.A.W. GARDNER:** If I can ask just one direct follow-up, the minister's response talks about the ideal of where the university is proposed to get to. I guess my question is specifically in relation to the transition time, where staff at the moment are concerned about losing the jobs that they have now, rather than what jobs might be available in eight years' time. I appreciate the minister took some aspects of that question on notice. Can I just clarify, are you able to provide a response to that fear, that concern that exists now, or do you want to just provide that in your question on notice?

**The Hon. S.E. CLOSE:** It is true that when you are a casualised worker you do not have the same protections, and no forced redundancies in general—would not apply to you. Whether there is any different view that has been taken by the universities, I will take that on notice, but if you pair it with the existing commitment that predates this one, which is that there would be no net job loss, then what you are talking about is not shedding staff, and that ought to give great comfort also to those who are not on secure contracts.

**The Hon. J.A.W. GARDNER:** Thank you for your forbearance, Chair. I will go back to the same budget line. In relation to either the work that the unit has done with the universities or that the

minister has done through her engagements, do we have an understanding of what departments and courses are proposed to be merged or discontinued under the plan and what new departments or courses are proposed to be established?

**The Hon. S.E. CLOSE:** I think there we are starting to get to the heart of at least part of the concerns about the universities not having too much of their growth plan released in public because they can see where they are going to position themselves against their competitors. That said, the transition plan does countenance extensive discussions now with the university communities about the ways in which teaching will change.

For example, I understand they are going to move to a trimester model in order to facilitate getting through your degree more quickly. That is just an example. The way in which they will adapt to a new curriculum—it is also a commitment that they are going to be providing a new curriculum—I think will become clear as we go through this transition plan. People will have plenty of time and opportunity to speak to it.

State governments and state parliaments have an enormous stake in universities doing well, both at the research and commercialisation level and at the teaching level. They do not ultimately control many of the levers that are associated with what students will choose to do, which is often associated with HECS and with the capping of places, and so on. That is all held by the commonwealth, which is part of why unis are so complex in their governance arrangements. I think we ought to participate in discussing that but not see it as something that is directly within our control.

**The Hon. J.A.W. GARDNER:** Has the unit provided any advice or had any discussions with Flinders University, in particular, given that the stated aims of the two funds for research and low SES are both things that are of interest to Flinders University as well? Is there an avenue for funds to be applied to Flinders' benefit, as well as to the new university, as a result of the establishment of these funds, which the minister has described as 'no regrets'?

**The Hon. S.E. CLOSE:** Yes. I hesitate to add this because we love all our children the same and we do not play favourites, but I am a creature of Flinders University. I am Australian because Flinders existed and my parents came here to staff it and I studied there and worked there briefly. It is an institution that is very dear to my heart.

**The Hon. J.A.W. GARDNER:** I am sure they have high hopes.

**The Hon. S.E. CLOSE:** I think my greater point is that we are responsible for the sector, not for an individual university. The announcement yesterday was entirely about what is occurring to facilitate the creation of a new university that we believe will be transformational for the state. Our commitment to having a healthy sector remains. I have had discussions with Flinders, and the unit has had discussions with Flinders, in the lead-up to the announcement, and the Premier has had conversations, on this side of the announcement, with the vice-chancellor to assure him that we will remain in discussions about ensuring that Flinders remains competitive and strong.

**The Hon. J.A.W. GARDNER:** Has the government commenced drafting legislation for the merger and, if so, has it shared drafts with the universities at this stage?

**The Hon. S.E. CLOSE:** There has been discussion back and forth between the universities and us on what draft legislation would look like. I am not sure if we discussed it back when the statement of cooperation was signed at the end of last year, but there was a view even then that the base of the new act ought to be the University of South Australia Act because it is the most modern, being only 32 years old, and also because it is more explicitly responsive to equity. So we have taken that as the base and have had discussions with the universities.

That said, the legislation ultimately, as we have said, is the creature of parliament, but we will be going to public consultation as well as stakeholder consultation. The version that is in protean form right now will evolve during that period. I am not certain where we are landing on the idea of a committee to inquire into it, but presumably it will be the subject of that committee as well and then will be subject to the decisions made by us in here.

**The Hon. J.A.W. GARDNER:** I was going to ask simply when the legislation will be introduced to the parliament, but perhaps the minister can identify what the other aspects of the time frame are as well.

**The Hon. S.E. CLOSE:** We will go out to consultation fairly quickly because we have a draft basis. I would like to bring it into parliament as soon as we get back after the break. What I do not know—there may have been discussions across the chamber while I have been in this endless cycle of estimates (did I mention?) since 9 o'clock this morning—is whether there have been some multiparty discussions about ways in which we might manage this, at what time that ought to happen and at what point, but it will be publicly available very soon for members of parliament to have a look at because we are going to do public consultation.

**The Hon. J.A.W. GARDNER:** Sir, I have maybe one more question on this line. I know you are concerned about being conversational, but it might make things quicker if I can explain the question with context in the lead-up.

**The CHAIR:** Go ahead.

**The Hon. J.A.W. GARDNER:** My understanding, minister, is that there is one sitting day left until the winter break in the Legislative Council and that it is parties in the Legislative Council, including the opposition and, as of this morning, I think with the Premier's endorsement, that are likely to have an inquiry established. Presumably, if notice is given this Thursday, the first day available for that inquiry to be formalised is the first Wednesday when we are back. Will the minister give a commitment that the legislation, or at least the draft legislation, can be publicly released prior to that resumption of the parliamentary sittings?

**The Hon. S.E. CLOSE:** We will be consulting during the break with the public, so you will see the legislation very quickly. It will be out in August for public consultation. You are right about the question of timing for a committee. As I said, I have not been part of any discussions, but I am sure that the timing will be worked out.

I would just say on the committee that it is legitimate that people need to understand the case for this and then also to say what they would want to see in the act. What would be of concern to me is if we allow this to go on for too long because the countervailing challenge for the two universities that exist right now that are likely to form the new one is that they need to be able to continue to enrol students, to advertise and to get staff, so we need to minimise uncertainty while still allowing proper inquiry.

**The Hon. J.A.W. GARDNER:** This will be my last question on this run. The 19-page transition plan that I think the universities released at the government's press conference yesterday—that looks like it—contains on about the fourth or fifth page a chart about what is going to happen in different stages, and it talks about the legislative expectations and that the parliament is to pass legislation in quarter 1 of 2024.

My assessment therefore is that the legislation, to their end, needs to be passed by March 2024 to enable them to get TEQSA accreditation, advertise for international students and everything else. I invite the minister to ensure that the parliamentary committee is able to fulfil its responsibility to report in a timely fashion, allowing time for the parliamentary debate after that. Is the minister committing that her department and the government will cooperate fully with that inquiry?

**The Hon. S.E. CLOSE:** First of all, it is difficult for me to commit in great detail, having not been part of any discussions that I am sure have been occurring today, but of course, if there is a parliamentary inquiry, we will participate and provide the information that is required. There is no question that we would obey the conventions.

On this date, I had hoped ideally that we could get it through before the end of the year. That is very ambitious. I always worry about letting things slip into the very drop-dead time for, in this case, the accreditation of the new university, as you point out. I still want to do everything I can to make this as speedy as possible without running over legitimate process. You are right to acknowledge that the universities themselves have identified that. I think that they do not deal with parliament all that often, so they are probably a bit more optimistic about our nature.

**Mr WHETSTONE:** On the workforce summary, Budget Paper 4, Volume 3, page 163, of the 8.9 FTEs transferred into DIIS from DTI in July 2022 how many were dedicated specifically to International Education?

**The Hon. S.E. CLOSE:** The transfers were a combination of the Industry Capability Network and International Education. The Industry Capability Network is where the people coordinate smaller companies being able to bid for and have connections with larger companies. You have a mining industry capability network and various smaller supply chain companies are able to work out what is happening in mining so that they can bid. There is a number of those networks.

**Mr WHETSTONE:** How many FTEs are currently specifically dedicated to international education?

**The Hon. S.E. CLOSE:** As often happens when you move something from one department into another, you then do it in a slightly different way. The resources on international education have been put in with higher education, so we have a team on higher and international education but we also have some support in the comms team for international education. They have been blended in more, rather than just existing as a separate little group.

**Mr WHETSTONE:** Do you envisage efficiencies or improvements in facilitating international education opportunities?

**The Hon. S.E. CLOSE:** Our main approach is to have the strong relationship with StudyAdelaide, which came over as well to be mine rather than a different minister's, and we have put \$6 million of additional funding, which I mentioned in passing earlier, to be able to do more work for international education for student recruitment. That is the way in which we are largely anticipating being able to participate more, plus of course, in the event that the university is created by the parliament, there is the additional funding directly for ensuring that international students know about the new university.

**Mr WHETSTONE:** In the previous budgets, the activity indicators have measured South Australia's share of international student enrolments in Australia. Why is the activity indicator no longer measured in the budget?

**The Hon. S.E. CLOSE:** What has occurred with that indicator, because it was never in the base agency's indicators, is that it did not translate over. The way in which we report on international student education is through StudyAdelaide, and they are very adept at producing the figures for the extensive international education. I am not sure if I have a brief I can grab quickly now, but the results have been very pleasing in the return to the number of students coming back proportionally in South Australia post COVID.

Part of the rationale for the additional \$6 million to StudyAdelaide was that we are concerned that the twin issues of coming back after COVID—and, I have to say, international students not being well treated by the federal government in that period, but they were by the state government and the universities—and the challenges with the China market mean that we need to make sure that we are pushing into the other countries that are likely to send students here. We want to make sure that we are putting in that effort.

To refine what I said earlier, early on we were seeing that our enrolment growth rate was ahead of the national average. That has slipped recently, so we are a bit behind the national average. That again is one of the reasons we determined that we needed to put in additional funding, because other states have been quite aggressive in trying to build up their market and we need to make sure we are doing what we can.

**Mr WHETSTONE:** What is the current status of South Australia's international student enrolments or the current enrolment number?

**The Hon. S.E. CLOSE:** For the full calendar year 2022, South Australia had 43,535 international student enrolments.

**Mr WHETSTONE:** South Australia?

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



**Mr PATTERSON:** On Budget Paper 4, Volume 3, page 166, targets, around critical technologies and cyber in particular, can the minister advise the number of people who attended training courses at the A3C in 2022-23 and how does it compare with previous years?

**The Hon. S.E. CLOSE:** In the interests of time, we have a brief that is generally about the organisation but not the specific question of how many students have enrolled, so we will take that on notice and get it to you.

**Mr PATTERSON:** Thank you, and you may want to do the same with a few of the other questions. How many events have been hosted by the A3C and how many people have attended those events?

**The Hon. S.E. CLOSE:** I will take that on notice.

**Mr PATTERSON:** How many staff resource the A3C, including how many are also members of the A3C?

**The Hon. S.E. CLOSE:** To revise my earlier answer, as of 19 June it had hosted 253 events, 131 training programs and secured 88 members and 11 partners.

**Mr PATTERSON:** Do you have information about how it compares to previous years?

**The Hon. S.E. CLOSE:** Although, curiously, another part of my brief says that it has over 91 members. That might be combining the 88 and the 11, though, so I will clarify that.

**Mr PATTERSON:** This is a crossover with your other roles, but I think it does apply here. You have had the recent Defence Strategic Review that was released, and it talked about one of the critical requirements being around robust cybersecurity for all businesses to make Australia resilient. What plans does the minister have to work with the A3C to increase cybersecurity and resilience in South Australia?

**The Hon. S.E. CLOSE:** As an example, and it strictly sits in the small business portfolio but I am happy to tell you about it, just last week there was an announcement for a cyber resilience program for small business that will be delivered by the A3C but is designed for small business, which is particularly challenged by the idea of managing cybersecurity, so I think it will be incredibly useful. It is an absolute treasure that centre; I am sure you know it well. It does extraordinary work.

**Mr PATTERSON:** Also, last year we spoke a little bit about some of the opportunities from the REDSPICE program. Can the minister give an update on what she is doing to maximise the opportunities for South Australia from this program?

**The Hon. S.E. CLOSE:** The commonwealth Australian Signals Directorate is increasing its staffing, with workforce growth of nearly 2,000 over the next 10 years under REDSPICE—which stands for Resilience, Effects, Defence, SPace, Intelligence, Cyber and Enablers, as you probably already knew, member for Morphet—which will support a large-scale expansion of Australia's offensive and defensive cybersecurity capabilities.

REDSPICE is a near \$10 billion investment in ASD, and the additional 1,900 new staff will provide an expanded operational footprint of the ASD outside Canberra and into major locations, and the A3C is engaging with them.

**The Hon. J.A.W. GARDNER:** I would like to go to page 167 of Volume 3. I think, sir, you will be very pleased that I have a question about the explanation of significant movement. In particular, I am going to be asking about the higher expenditure due to the department's responsibility for higher education, including delivery of the government's teaching profession scholarships election commitment, as listed in about the middle of page 167.

Was the funding specifically for those scholarships provided from within existing departmental resources, or was that a budgeted deficit, or was something cut to pay for it, or was this new money to the budget?

**The Hon. S.E. CLOSE:** It was new money to the budget.

**The Hon. J.A.W. GARDNER:** Excellent, and presumably provided after last year's budget papers, explaining why it is a significant movement?

**The Hon. S.E. CLOSE:** That is right. I think it is because it was assigned to a different agency first and then it tracked its way back to us, and that is why it looks like a movement.

**The Hon. J.A.W. GARDNER:** In relation to that promise to provide scholarships, you may recall last year I asked some questions and you were not sure on the answers then, but I understand on 21 March there has been a press release confirming that 100 of the \$5,000 scholarships will be rolled out each year—

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

**The Hon. J.A.W. GARDNER:** —in the four categories as advertised. I might ask some questions about them. How many scholarships will there be in each of the categories: high ATAR school leavers, men to study primary teaching, Aboriginal scholarships and women to teach STEM? Is it 25 each, or is it a specific target within each category?

**The Hon. S.E. CLOSE:** As I recall now, it was initially given to education and then came over to us, which is why there was that movement. The agreement with the universities is not a specific number in each category but no one category can have more than 50 per cent of the scholarships in that year. That enables some flexibility in making sure that universities are able to select students they consider to be of the right calibre and the right commitment, but it also means that they are required to offer across the scholarships and not just, say, give them all to the high ATAR students or to an Aboriginal cohort.

**The Hon. J.A.W. GARDNER:** Do I gather from that that there is a specific number assigned to each university?

**The Hon. S.E. CLOSE:** Yes, there is.

**The Hon. J.A.W. GARDNER:** If so, what is that number for each uni?

**The Hon. S.E. CLOSE:** There are 30 scholarships per year for the University of Adelaide and 35 each for the University of South Australia and for Flinders.

**The Hon. J.A.W. GARDNER:** Will Aboriginal students be eligible to receive this new scholarship on top of the pre-existing Amy Levy scholarship?

**The Hon. S.E. CLOSE:** Yes, there is no restriction on scholarship accumulation.

**The Hon. J.A.W. GARDNER:** Is the scholarship a lump sum, or is it \$1,250 per year or some other mechanism? How is it to be delivered?

**The Hon. S.E. CLOSE:** It has been done as a lump sum because it is really a recognition of the costs in starting a degree, so that is what has been determined.

**The Hon. J.A.W. GARDNER:** When will the first scholarships be awarded?

**The Hon. S.E. CLOSE:** There is a bit of diversity here. Flinders has not offered for first semester but is offering for second semester.

**The Hon. J.A.W. GARDNER:** This year or next year?

**The Hon. S.E. CLOSE:** This year. The University of Adelaide has not provided an update as yet. They are required to, and they will, but I imagine they have been a little busy. The University of South Australia has awarded 29 of their 35 scholarships already. More will be happening in the second semester if they have more applicants for First Nations women in STEM or men in primary school teaching streams.

**The Hon. J.A.W. GARDNER:** The press release from the government was on 21 March. If you are saying UniSA has already awarded those scholarships, did UniSA have an application process before they awarded those scholarships, or did they identify pre-existing students who met the qualifications and were able to provide them with the \$5,000 grants each?

**The Hon. S.E. CLOSE:** At the University of South Australia they did indeed give to the students who had already enrolled, most of whom had applied for other scholarships, so they were able to add to the numbers that they could say yes to.

**The Hon. J.A.W. GARDNER:** If UniSA has given scholarships at the beginning of this year, and Flinders the second semester this year, and Adelaide presumably at some stage this year, we are talking about four-year teaching degrees for all of them, so these students are not going to finish their work until 2027. Given the government has provided it as a one-off grant at the beginning of their studies, what process does the government propose to undertake to assess the effectiveness or the merit of this program going forward? I am particularly thinking about students who do not make it the distance of the four years?

**The Hon. S.E. CLOSE:** As just a bit more refinement, the universities are required to report each year and will not receive the next year's allocation until they have reported, so I am sure that the University of Adelaide will be sorting itself out very soon. It probably has given scholarships, it is just that we do not actually have the report to give you right now, but I am sure that that will be resolved very easily.

If they do not allocate some, they are able to keep that for the following round so that they are not just giving out scholarships if they do not feel that they have had enough quality applicants. But we are otherwise being reasonably understanding that students' lives are complicated and that in some cases the students will not finish, and we have attempted to assist them in the commencement.

Universities are very adept at managing scholarship programs and understanding about ways in which they connect with students and support those they believe are the ones who are likely to be successful, but we have a reasonably light touch from that perspective.

**The Hon. J.A.W. GARDNER:** My last question is: in relation to this, given that the next round presumably applies for students starting their studies in the 2024 year, will the government be expecting that the universities have an open call for applications for these scholarships going forward?

**The Hon. S.E. CLOSE:** Yes, and in fact I should have added with the University of South Australia that, even though they used mostly students who had already applied for other scholarships, they also did an open call, and we would expect that that will occur.

**The Hon. J.A.W. GARDNER:** Later this year, presumably.

**The CHAIR:** The allotted time having expired, I declare the examination of the Department for Industry, Innovation and Science complete. An examination of the proposed payments is adjourned until tomorrow.

*Sitting suspended from 15:46 to 16:00.*

## **DEFENCE SA, \$19,179,000**

### **Membership:**

Mrs Hurn substituted for Hon. J.A.W. Gardner.

### **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 R. Price, Chief Executive, Defence SA.

Mr P. Murdock, Director, Finance and Systems, Defence SA.

**The CHAIR:** We now move to the portfolios of Defence SA and Space Industries. The minister appearing is the Minister for Defence and Space Industries. I declare the proposed payments open for examination and call on the minister to make an opening statement, if she would like, and to introduce her new advisers.

**The Hon. S.E. CLOSE:** On my right, I have Richard Price, who is the Chief Executive of Defence SA, and, on my left, Peter Murdock, who is the Director, Finance and Systems, Defence SA. Although I have an opening statement prepared, I will not give it; I will allow questions and will probably draw on the opening statement in my answers.

**The CHAIR:** Member for Morphett, the floor is yours.

**Mr PATTERSON:** Thank you very much. I refer to Budget Paper 4, Volume 1, page 160, targets, dot point 1. Can the minister provide an update on the current progress relating to the upgrade of the shipyards at Osborne to facilitate the building of the AUKUS submarines?

**The Hon. S.E. CLOSE:** I do want to give an update. I think we are all aware that there is \$2 billion that has been set aside by the commonwealth government to spend in the next four years to build the shipyards ready for the AUKUS effort, the submarines. There was put into the paper an image of what that looked like, although I think that came as a surprise to some people involved in the process that that was made public.

The significant proportion of that money will actually be spent moving power, both electricity and gas, which currently run through and over the site and clearly cannot interact with the building of nuclear submarines. Although not in that \$2 billion, there is also to be built slightly later, or at least funded separately, the training and skills academy that will be built at the Lefevre Peninsula up at Osborne.

When I say I would like to give an update, my only hesitation is that sometimes the briefings that I am in are confidential. I think probably it is best we acknowledge that that money has been set aside—so what is in the public realm, that is the timing—and also that there is an expectation that there will be physical works starting in the fourth quarter of this year and that some of the work will need to wait for the identification of the shipbuilder. Some of it is able to start earlier and some of it will need to wait until we are clear who is doing the shipbuilding so that the design can be done in concert with them.

**Mr PATTERSON:** Which makes eminent sense. Of course, respectful of sensitivities for national security purposes, I am just trying to get an idea of the start of it, how the process will work out. It seems to be to do with power and gas. In terms of actually getting the facilities to the stage where they will allow for componentry to be built for submarines, do you have an indicative time line around that?

**The Hon. S.E. CLOSE:** Are we still talking about the site at Osborne?

**Mr PATTERSON:** Yes.

**The Hon. S.E. CLOSE:** As I said, the work will start in the fourth quarter of this year—physical, on-ground works—and I understand there is significant planning that is occurring right now for those first stages, which will include car parks and some buildings. I ought to also point out, although it is already on the public record, that there is an expectation of something like 4,000 construction staff over those four years that will be required, so even just to make sure we can get the workforce together for that will be a reasonable effort.

**Mr PATTERSON:** Bearing in mind that figure of 4,000, it seems that would anticipate between now and the next four years that there will be an understanding of who the shipbuilder is going to be, potentially—

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

**Mr PATTERSON:** —because I would not imagine it would be 4,000 staff for the power relocation.

**The Hon. S.E. CLOSE:** No, not at all. It is for the proper construction; that is right. I do not know if the identification of the shipbuilder is publicly discussed, but we will not be taking too much

longer. It is an important part of the process because so much hangs for Canberra on being able to work with that company for defence and also for us in helping to get the skilling ready and so on and designing the courses. We are all waiting for that to happen, and I am sure it will not take a significant proportion of the four years before we know. I am sure it will be relatively early, but it is not quite yet.

**Mr PATTERSON:** In terms of the SSN-AUKUS, which is based on the UK shipbuilder, we cannot, obviously, lock in, in particular, who that will be. We will leave that up to competitive tensions so we get the best bid possible, but, in terms of the SSN-AUKUS, how far are we progressed for designs, or is it not even at the stage where that can be commenced because the first part of the process is to decide who will build it before we know the designs?

**The Hon. S.E. CLOSE:** I think that is right, but I would also say that, although we have an enormous interest both as the government and as the parliament and the people of South Australia in what these decisions are, they are not actually our decisions to make, so I am wary to speak too much. In some cases, I do not know the precise timing because that is something that is being held by Canberra and by the AUKUS relationship.

Perhaps if we put it this way: there is a series of steps that need to be taken. Step one is the exchange of land that sits behind the development that is required for Osborne North and that is proceeding apace. There is also the design of what will go on that site, some of which is easy to do now and some of which will await the identification of the builder for the ship. Then there is the identification of that builder and the work with them not only in what happens at Osborne but also what skills and training are required.

At the same time, of course, there is the expectation that as a nation we will be buying the first few submarines from the US and accommodating that process. That is not directly our issue but is one that we are aware is part of the steps that Canberra needs to manage as they get ready for us to have our own sovereign capability in submarine building.

**Mr PATTERSON:** You have said that we are purchasing Virginia class to start with, but the Osborne facilities do not have to cater for even—

**The Hon. S.E. CLOSE:** I am just laying it out. There is all this complexity for Canberra in stepping out the process that we are going through.

**Mr PATTERSON:** On the same budget line, we are talking about the design. Yes, we do not know the submarine shipbuilder at this stage, but at some stage that will be decided on. Design work will have to be undertaken. Presumably, the shipbuilder based out of the UK will have experience and existing supply chains in place, with predominantly UK companies involved. At this stage, what measures are you taking as minister to investigate how South Australian defence companies can participate during the design phase? What I am alluding to is the design getting done and after the fact they say, 'But this South Australian company could have been involved had we known.'

**The Hon. S.E. CLOSE:** I will turn to some of the detail about that. A conceptual way of thinking about what AUKUS means is that it is not that we have our shipyard and we are going to buy a version of a submarine, such as with Naval Group, get in a company and get them to come and build it here. What AUKUS means is that we are really part of an interconnected global shipyard across the three nations.

That means not only the building of the submarines but also the supply chain involved in preparing the componentry. To some extent, the staff working on building those submarines will be much more interconnected than when we were just talking about employing a French company to come to Australia and build some submarines for and with us.

What I mean by that is that there will be some opportunities that are likely to come up even for Virginia, where some companies in South Australia or Australia may well be able to bid into that supply chain. This is partly because the work effort in the US is maxed out—they are going full bore getting the submarines ready that they are building—and partly because they recognise, as do the UK and Australia, that AUKUS only works if all three are strong and contributing. The more they can build a supply chain here, the more likely we will be able to take our share of the load later. That is contextual—we are operating in a slightly different environment now.

What is occurring at the moment is that there is some legislation and policy work looking across about 600 pieces of state legislation and consulting with relevant stakeholders. There is industry development, a system taxonomy model being developed. This will outline, at the highest level, 60 main systems required in a generic nuclear-powered submarine—ones that we know are going to be part of any kind of nuclear-powered submarines—so that we can understand where industry can fit into those. There is also stakeholder engagement and consultation.

At the moment, over 40 stakeholders for engagement have been identified and meetings have been conducted across a two-month period. These have been identified from government, education, industry and environmental associations. It is about building up the network of those who have an interest in how this will unfold, including those who will have an anxiety about how it will unfold, particularly when we talk about the environment side—and perhaps the community side, as the representative of the good people of Port Adelaide. We are trying to build that up as part of the preparation for then the full participation in building these submarines: industry, employment and so on.

**Mr PATTERSON:** Excellent, thank you. I refer you to Budget Paper 4, Volume 1, page 160, targets, dot point 1. In regard to that pathway we have talked about for the up-front purchasing of US Virginia class submarines, are you also investigating what the scenarios of risk might be that could see Australia purchasing five Virginias rather than three?

**The Hon. S.E. CLOSE:** It is an interesting situation being the state government in this circumstance, isn't it, because we do not have control over decisions. Even Canberra might say, 'We don't know who's going to be in government by the time those decisions are being made.' Certainly for South Australia, we are several steps removed from that decision-making. What we need to do is make sure that we are, in every way, ready to serve and to benefit from the work that will happen here. Part of that is preparing ourselves to participate in the building of the Virginia, as I mentioned.

At the moment, Congress is only seeking approval for two Virginia classes, for example. The still further level of complexity is how many they will sell to Australia. It is absolutely right for you to point out that we need to be prepared for a variety of possible outcomes so that we are ready to benefit from whichever one is taken, but it is also at a certain point that we just need to keep getting people trained, getting components and companies prepared, getting our own house in order, and watching as these decisions evolve.

**Mr PATTERSON:** Sure, that makes sense. I think you have answered it, but just to close it off, if it was the case that more rather than less were purchased—you talked about the US Congress maybe even cutting it back to two—if that does push it out, because I think we had a program of the new ones being built every three years, potentially, so there is quite a big range in times. How could that potentially affect South Australian companies? Would it create a valley of death or—

**The Hon. S.E. CLOSE:** We can both see the challenges that are before us as a state, and we have been here before. One concern I have had has been whether there is a degree of cynicism amongst both the community and industry, having seen the French project cancelled summarily, which is not to say that I do not support AUKUS but I do feel the pain of those companies that have really geared up to work closely with Naval Group, and whether that alters their view about their preparedness to participate fully in this process.

If I step away from specifically the question about submarines—how many, when—what we have a commitment to from the commonwealth government and what we must, regardless of what happens politically on either side, maintain a commitment to is continuous shipbuilding at Osborne because that is how you are ready for all eventualities.

Our participation in the recent review currently being undertaken for surface ships is equally important because if we can make sure that we are putting our best foot forward to seeing that continuous build with a timing that allows the workforce to move from one to the other then we will have that flexibility and preparedness for where the submarines fit into that schedule.

**Mr PATTERSON:** I refer to the same budget paper and volume, page 160, highlights, dot point 3. You talked a bit about investigating a whole raft of legislation—I think 600 pieces of legislation, I take it from the commentary in the budget papers. Was that related to the work done by

the SA nuclear submarine task force, which has now been completed? And depending on the answer, when the report was finalised, was it finalised prior to the March announcement of AUKUS, and would that affect any of its findings?

**The Hon. S.E. CLOSE:** Yes, it was completed earlier, but, no, it was not affected by that, I am advised.

**Mr PATTERSON:** Is it likely there will be the ability for parliament to receive that report, and the opposition?

**The Hon. S.E. CLOSE:** There is a challenge with commercial-in-confidence material that is in that report.

**Mr PATTERSON:** I can totally understand that. If we get to maybe where it moves onto, that has been closed up, so if we go to the same page, targets, dot point 1, talking about that being closed up, has that now been replaced by the Office for AUKUS? Is that the intention going forward?

**The Hon. S.E. CLOSE:** Not necessarily. We are still working out what the Office for AUKUS looks like and the extent to which the work that Defence SA has been doing continues. Bear in mind there is also some work that DIIS has been doing in relation to the workforce planning as well, so there are multiple agencies that are already involved in trying to make this successful, as you would expect with such a major industry and with the opportunity for such economic transformation off the back of it.

The intention is that the AUKUS office will be established inside the Department of the Premier and Cabinet and also that it will have a coordination function of legislation, workforce, infrastructure, environment and social licence. There is work that occurs in Defence SA on this project that sits well beyond that remit, but until we have a leader identified and they start to stand up exactly what it looks like and what makes sense to be held centrally with Premier and Cabinet, there will be some refinement. I imagine in estimates next year we will have a longer conversation about it.

**Mr PATTERSON:** I look forward to that. So we will have the Office for AUKUS and we will have Defence SA. I suppose I am trying to establish maybe the role that Defence SA and you as the minister will have—what your role is. I am hoping it will be a lead role and it will not be sidelined or overwhelmed by the Office for AUKUS and you just become a—

**The Hon. S.E. CLOSE:** No. Partly it is not going to be big enough to overwhelm the weight of work that is done by Defence SA, and in this case there is plenty of work to be done for all. What the Premier I think has identified is a need to have a single point of contact that is able to reach into the work that is being done elsewhere, some of which is being done in Education, because of the vocational training effort that is there and also the technical colleges and schools, some of which is happening in Trade and Investment, some of which is happening in DIIS and some of which is happening in Defence SA.

There needed to be one AUKUS front door that would be able to coordinate that. I think that that makes a lot of sense but, like I say, the detail of what then sits exclusively there versus reaching in for coordination will evolve over the next few months. Any sense of sidelining of my own role, I have no concerns about whatsoever. The Premier is very rightfully the person who speaks for the state on many issues that are of the state weight, and if any have that level it is AUKUS and defence generally.

I am always delighted when the Premier wants to step in and take a leadership role in that. It can only add to what happens for our state when he does that. You will notice sometimes in question time that you might direct a question to me or you might direct it to the Premier and we have a little conversation about who will answer. My view is usually that it is better that there be one voice on something as weighty and as sensitive as AUKUS and, therefore, I tend to prefer him to be that one voice because he has opportunities to be in places that we all want him to be, and to be successful, including national cabinet.

**Mr PATTERSON:** On the same page in the budget papers in the highlights, dot point 4, around the Defence Strategic Review, one aspect of the recommendations that is causing some concern is the statement that is made, and because of time I will get to it exactly. It states: 'Defence

must, where possible, acquire more platforms and capabilities via sole source or off-the-shelf procurement.' Regarding off-the-shelf procurement, maybe if we talk about AUKUS to start with. Do you see this having an impact on South Australian companies that are trying to establish themselves into those supply chains when presumably there is quite a lot of off-the-shelf, decades worth of supply chain in both the US or the UK?

**The Hon. S.E. CLOSE:** I have been Minister for Defence for a bit over a year and I did not hold the portfolio in shadow during opposition, so I have been on an interesting learning journey about how defence works and I would not pretend that I am a master at it at all. But it seems to me that there is a constant tension when we are talking about defence procurement between three good things: capability now, so that the country is defended; building industry capability for economic transformation and for sovereign capability; and skills and workforce development, which requires a long lead time, not just in training people but in giving them experience because it is often experienced workers who are required, not just someone who has just finished their apprenticeship.

Those three are not necessarily in harmony, so we ask defence procurement to do a lot. We want them to make sure that they are keeping us safe but we are also asking them to make sure that they are building long-term capability inside supply chains. Those do not sit neatly together, as you are pointing out. I guess all I am illustrating is that this is not new; this is the world of defence. Let's cast back to the Tony Abbott buying submarines from Japan period in our adventure. That was very much capability, 'I just want to buy something, I am going to do a deal with Abe and then we will have it.' Then you go to, 'What we will do now is we will have this French deal and they will transfer sovereign capability to us,' and then that gets eclipsed, obviously, by what is happening with AUKUS.

What we must do at every point in all the decision-making is concentrate on preparing our industry to be capable and useful so that people turn to us. One of the advantages we have at present is the amount of work happening around the world means that we are going to be dependent on supporting each other. So that is my little view on the way that defence works and the challenges that sit within it, regardless of who is in government.

**Mr PATTERSON:** Thank you. It is difficult. Again on the same page in the budget papers but dot point 2, we talked about the need for continual shipbuilding and the Hunter frigates. Have you said that you have submitted a state government submission for the surface fleet review?

**The Hon. S.E. CLOSE:** That has gone. I think the Premier said just the other day that he had submitted it.

**Mr PATTERSON:** I did not want to assume I had misheard. In terms of that, the real thrust of it is around the fact that there are nine Hunter class ships that are proposed to be built. We do not know. We hope it has not been reviewed—that is, looking at other surface ships. Did you recommend to, and advocate, that the full nine Hunter class ships continue to be built here at Osborne?

**The Hon. S.E. CLOSE:** Without wanting to go in detail through a confidential document that has gone to a defence review, the import of what is in South Australia's interest is continuous shipbuilding. It is open for Defence very legitimately to say, 'Is the design of this ship, which was designed in the context of that kind of submarine, still the appropriate design given we are having this kind of submarine?' Regarding the amount of weaponry that can be carried, the distance travelled, the noise made—all of that—it is a legitimate question. At the same time, it is extremely disturbing for any industrial state, such as we are and have ambitions to be, to have to continuously wonder how much longer we are going to build this kind, and are we going to be able to build the next kind.

Our argument was essentially that we recommend continuous shipbuilding, not just because it is in our interests but because it is in the sovereign capability interests of the nation, and buying things off the shelf, although it gives you what you want immediately, argues against that sovereign capability transfer. What we want is an approach that plans ahead in order to prepare us for being able to do the submarines in due course. That is sort of the import of what any decent state government submission would have said.

**Mr PATTERSON:** I understand it is confidential, but along the way have you received advice, say, from the federal defence minister that while they are looking at the surface fleet review,



given the preeminent issue is workforce continuity, there will not be any expected job cuts or potentially some of the shipbuilding moved to other shipyards?

**The Hon. S.E. CLOSE:** With the three that are being built, that are being planned and starting to be built already, we need an increase in staff in Osborne. BAE are going to employ more people, so there is not an immediate problem with employment. There is not an immediate risk of losing jobs. What there is more of is the need for people to have confidence to invest in that as their career, and to become really good at it, so that they have the experience to lead more complex work still.

Having been again at BAE just last week, they would argue that the Hunter class frigate is one of the most complex machines made. We talk a lot about submarines being that complex, but they would argue that they are really the submarine that happens to sit on the surface, so there is already a real degree of complexity and sophistication therefore in work.

Things can change overnight, and in politics one should never make definitive statements, but the emphasis for me is not concern about immediate job loss because it is immediate job growth. The emphasis for me is increasing our capability so that we are ready for the long term and so that this actually shapes our economy rather than becomes a thing we do and then we stop and then we do, and then we never do it particularly well, so that continuous ship build is so important for us to become exceptional at this work.

**Mr PATTERSON:** Have you had any indications of when that review will be complete?

**The Hon. S.E. CLOSE:** I do not, and I would really hesitate to speak for the commonwealth.

**Mr PATTERSON:** Fair enough, I understand. On the same page, even the same dot point, we talked also about continuous shipbuilding from the full cycle docking of the Collins as well. Have you had any guarantees from your federal defence minister or your counterparts that the full life-of-type extension work on all six of the Collins class submarines will continue?

**The Hon. S.E. CLOSE:** Sorry, what will continue?

**Mr PATTERSON:** The life-of-type extension on all six of the Collins class submarines.

**The Hon. S.E. CLOSE:** My understanding is that is the plan, that at this point nothing has changed, and that is very much the language that was used when the AUKUS announcement was made. We spent time with Richard Marles, Penny Wong and Pat Conroy up at Osborne. It was very much that that is the intention to do that.

**Mr PATTERSON:** That is reassuring because the federal defence minister did say that keeping them going and operational was not a great answer, so I am glad to hear that. We will move on to Budget Paper 5, the Budget Measures Statement, page 23, growing the space industry. In regard to the Australian Space Park and its repurposing, what advice has the minister had from the commonwealth government that they will maintain their \$20 million of funding towards the Australian Space Park?

**The Hon. S.E. CLOSE:** I am not sure if we had this conversation or it has been more in the context of media discussions but, to run through my understanding of this history, under the previous regime the commonwealth had a modern manufacturing initiative round of grants, and Fleet and three other companies put in for money for that to create some facilities at the Airport and were initially successful in that bid. Two of those companies subsequently withdrew from that effort, and I believe that Fleet has put in an alternative proposal that modifies slightly what they were looking for.

We are not party to that. Our commitment to a Common User Facility for building satellites and for facilitating companies being able to do things because there is access to kit they cannot themselves buy because they are still small and emerging companies—our commitment for that \$20 million predated that. We are not a funding partner. The \$20 million from the commonwealth was not granted in the context of the state government's contributions. I do not want to speak for two other parties to their own agreement, and I believe that they ought to be able to make any statements they want to about what will happen.

I fully expect the companies still involved to still go to Adelaide Airport, but it is for them to say. Fleet, in particular, are a very successful company, but they are also at a delicate point in capital raising, so any speeches from politicians one way or the other are probably not welcome; they want to speak for themselves. What we have is \$20 million that was identified and at that point was identified to facilitate the building of larger satellites. We understand now—particularly but not as a result of the decision made by the federal government not to pursue their own satellites, going through that process, but our views had predated that—that in fact it is smaller satellites that are being built at present. That is what there is a market for.

Our view is that there is a better way to use that \$20 million to help more emerging companies and that we need to consider what kind of facility best does that and whether it is attached to research, where it is located exactly, which companies are able to participate and how. We are now doing that work. The money has stayed. It has gone from Investment and Trade into Defence SA, which I think is the right home for it, and it sits alongside a reasonably significant contribution in operational funding for the space part of Defence SA.

We will do that in concert with the companies involved in space in South Australia and make sure that we get maximum value, and we will do that reasonably quickly. I am aware that there has been some time elapsed.

**Mr PATTERSON:** There is a fair bit to unpack there, so I hope I get it in a sequential manner. Firstly, I suppose you are able to inform us who the two companies that withdrew were?

**The Hon. S.E. CLOSE:** The two companies that withdrew sometime last year are Q-CTRL and ATSpace. The two companies that remain involved are Fleet and Alauda—for some reason I cannot hold that name in my head.

**Mr PATTERSON:** Part of the MMI bid, yes, you are right, had Fleet as the lead proponent. Each of them needed to have a private entity as the lead. Fleet are still there. My understanding of what was envisaged of the Space Park was, yes, the state government was putting in \$20 million for the common user infrastructure and equipment, but then that the attraction for the commonwealth was that they could come in and that their \$20 million would sit alongside this and effectively have a Common User Facility plus-plus, so \$20 million of their funding, \$20 million of state and you also have private investment into that.

It seems like, while we do not know the exact decision of the federal government, should they even wish to continue, that would be between them and Fleet and where Fleet wants to locate. Does that confirm that the Common User Facility that will be built in Lot Fourteen will necessarily be significantly smaller than first envisaged?

**The Hon. S.E. CLOSE:** It is definitely for smaller satellites. What we want to do is make sure that the \$20 million we put in—and at no point would it have been suggested that it was only for two companies to use—maximises the reach for companies and that it is of a nature that is most useful for them. Having recognised the shift in market from large satellites to small, and in size we are talking about the original plan at the Airport being 300-kilo satellites and we are now looking at around 100-kilo satellites for Lot Fourteen, that is the basis on which we are doing our consultation.

I like the idea of the Lot Fourteen location. I like Lot Fourteen a lot. Having spent time there and seeing the energy of the companies there, I think it is the right place. It is possible in the consultation that we will identify a different location, but I think there will be a lot of support for that from space companies interested in having access to a Common User Facility of that nature.

**Mr PATTERSON:** When I said 'small', I did not mean just in terms of footprint; I actually meant in terms of the amount of equipment provided in the Common User Facility. I think it was always intended that it was not just for the co-located tenants; it was also for the broader space industry. We are now building smaller satellites, but I would have thought we still needed to have testing equipment, circuit boards, that type of equipment.

Obviously you will need to consult with stakeholders to really get to the bottom of what that equipment might be. Before I ask that question, in terms of the federal government, surely you would have said to them, 'Well, we're out. We're moving over here.' What discussions have you had with

the federal government around that? That could impact on whether they decide to go ahead with Fleet.

**The Hon. S.E. CLOSE:** Technically, it does not because we were not a requisite funding partner. I speak to Ed Husic reasonably frequently and, despite my very serious disappointment in his decisions recently about space, he is a decent human being and always good to talk to. I have told him that this is our intention, to move the effort for the Common User Facility, as part of explaining to him the importance to us of maintaining state support for the space industry.

That is important in two ways. I am disappointed, of course. Money being spent in industry is always good, but when it is not your money it is brilliant, so any money that disappears from the commonwealth is not a good thing. I think, in a way even more important than what that money was being spent on—and the commonwealth has a right to choose what it wants to spend its money on—is the perception from the emerging space industry of, 'Is this something that is wanted here, that is valued?'

It is very important to me that, while we express righteous and rightful disappointment in the commonwealth decisions, we do not allow that to translate into catastrophising what is happening with space. The state investment has increased a bit; it remains undiminished, and we see the future for space, and that is partly what is happening right now in the industry with people being able to do good research and commercialise that and be employed in that.

There is also this other really significant piece for me, which is the enthusiasm that young people have for space translating into sticking at STEM longer. I have put this to the federal minister as well. I think he sees that argument, but nonetheless he is choosing not to buy some satellites because he thinks he can get the data elsewhere. That is a very transactional decision, whereas I am trying to deal with the vibe of the importance of space. So that is part of what we are trying to do with Lot Fourteen, with this \$20 million, is really connect properly with what industry wants right now and be responsive to them.

**Mr PATTERSON:** Will all of the \$20 million allocated be spent on common user equipment? Will it be spent on refurbishment of any buildings or rents?

**The Hon. S.E. CLOSE:** We have not even identified quite where it would be, so what would be necessary to make that Common User Facility work, but it is essentially about equipment, yes.

**Mr PATTERSON:** On the same budget line, is any of that \$13 million in operating expenses for growing the space industry to be spent on the industry or on rent for this Space Park?

**The Hon. S.E. CLOSE:** It is on the space talent pipeline, so it is on developing the workforce, it is on the Andy Thomas Space Foundation which does extraordinary work, it is on the Southern Hemisphere Space Studies Program that you would be familiar with, and it is also about the space incubator, so nurturing new companies. That is where having the big capital spend that we are able to put in will, I think, significantly bolster that effort, but by no means is the \$13 million directed only at that.

**Mr PATTERSON:** Will the minister be consulting with defence primes in relation to what facilities may be required in the Common User Facility?

**The Hon. S.E. CLOSE:** Yes, in order to understand the landscape that the smaller emerging companies are operating in.

**Mr PATTERSON:** On the same budget line, where we are getting to is that we are still going to invest the money in common user equipment and facilities but potentially not as much in terms of quantum of money. Do you have any idea about the utility or economic impact of the cuts that are going to occur to the amount of equipment available for the Australian Space Park?

**The Hon. S.E. CLOSE:** My adviser is just pointing out that state money is not being reduced; we are still spending \$20 million, so there will still be that benefit.

**Mr PATTERSON:** But we do not have the federal co-contribution, which I would imagine would significantly reduce the amount.

**The Hon. S.E. CLOSE:** It was not a co-contribution, it was a partnership with Fleet and, as I say, we will let Fleet talk about that future.

**Mr PATTERSON:** Fair enough. We will keep moving on then. Still on the same budget line, can you give an understanding of when construction might start for this repurposed Australian Space Park and when companies will be able to start operating from it?

**The Hon. S.E. CLOSE:** We will spend the rest of this year doing that consultation, because what we do not want is to have to change again. We need to do it properly and make sure that it is hitting the right spots, so we will take this year to do that and will then be rolling it out next year. The chief executive has pointed out that the money is programmed for next year and the year after as capital expenditure.

**Mr PATTERSON:** On the same budget line, in terms of the other announcements going on in Australia—which of course you have to be mindful of—it has recently been announced that the commonwealth government is to provide \$52 million to Gilmour Space Technologies and their Australian space manufacturing network initiative in Queensland, which was part of a separate MMI collaboration stream. Have you identified what the impact of having another space manufacturing facility could potentially be on the South Australian space industry?

**The Hon. S.E. CLOSE:** Obviously, that decision was made under the previous federal government because it is an MMI grant. We understand that Gilmour are about rockets as well as satellites, but they have not actually done anything yet. We are not really sure what they are going to be producing, but we will be keeping a close eye on it. I think it argues still more, though, for having a small-scale satellite Common User Facility in South Australia.

**Mr PATTERSON:** Same budget line: in light of that, and there is obviously a lot of growth in the space industry in Australia, what actions is the minister taking to ensure that South Australia maintains the first mover advantage, and how can South Australia keep attracting investment in manufacturing to this repurposed Australian Space Park?

**The Hon. S.E. CLOSE:** Spending money on developing people is one way in which we will do that. As I mentioned earlier, a lot of the \$13 million is directed towards the space talent pipeline—being able to build enthusiasm, knowledge, skills and experience in people in South Australia working in this field. That is how I think we maintain our advantage.

I am aware, watching carefully, that the international space congress is going to New South Wales next year. I was there last year in Paris. Of course, we had it in 2017, which really kicked off South Australia being, as I somewhat cutely say, the centre of gravity for space in Australia. I am watching with care and interest about what the New South Wales government tries to do to leverage from the international space congress.

That is why, although it can sound not a particularly great achievement to keep something that you already have—though let's not forget the dramas of keeping the full cycle docking for the Collins class, which took years to settle—I am very reassured, having been told many times by Ed Husic that we will be keeping the Space Agency, because any thought that another state would try to take that would be a very great concern to me. I acknowledge that keeping something you already have does not sound like a great achievement, but it is extremely important that we keep it.

**Mr PATTERSON:** Before we get to those areas, I am still on the same budget line. Last estimates we spoke about having the Australian Space Park at Adelaide Airport potentially as a location. It was not finalised by all means, but presumably there were negotiations going on. How far along with those negotiations did the government get with Adelaide Airport?

**The Hon. S.E. CLOSE:** Obviously, there has been a shift in which agency is taking responsibility for that as well. It is now over with us, and there are still negotiations and discussions going on. We sit with Fleet SA and Alauda. We want them to succeed, so we are part of the discussions with Adelaide Airport about that process and we will not stop being very supportive and involved.

**Mr PATTERSON:** I turn to Budget Paper 4, Volume 1, page 163, objectives, dot point 1, around supporting the space industry. You touched on the fact of how important it is to maintain

momentum. The space industry has really started to get some momentum over the years and at the same time, as you have said, there have been cuts to the federal budget. While you are not responsible for that, and I understand that, in terms of the impacts on South Australian companies that were affected by those decisions what feedback have you had, as the minister, from South Australian space companies and space industry stakeholders in relation to the federal government's decision to cut the Moon to Mars supply chain facilitation program?

**The Hon. S.E. CLOSE:** The two big cuts are to building our own Australian satellites and the Moon to Mars mission. The feedback I have had—and I will turn to the chief executive because he may have some additional information—has largely been about the atmospherics rather than the particular supply chain. Inovor, because they are building Kanyini, our satellite (which you would be very familiar with), I think has a particular concern about what it means for their work and their future work. Otherwise, the feedback that has come to me has been largely: 'We don't want anyone to think that Australia is not interested in space anymore.'

The discussion has been along the lines of ways in which we can ensure that the South Australian enthusiasm for space—not just financial commitment but enthusiasm for it—is maintained and is undiminished and that has been very important. I will turn to the chief executive for any additional information.

**Mr PRICE:** It is mixed. I think everybody in the industry is disappointed by the general thrust of the direction. Some companies were not really counting on the federal money for their plans and they continue to pursue those vigorously. Other companies could see opportunities and are very disappointed. Perhaps the greatest group is the international companies who were looking at their strategic plans for Australia. They are now revisiting the strategic plans.

**Mr PATTERSON:** I will take that as a broad commentary, but I am interested in the specifics of each program as well. Another one of the programs that has been cut was around the \$30 million program designed to support faster access to space flight by Australian companies who are looking to put their satellites in space. What is the general feedback around that?

**Mr PRICE:** I have not had any specific conversation with launch companies other than that I think the launch companies that have well-developed plans perhaps did not need the funding to the same extent. Perhaps it has a bigger impact on those that have not developed any plans at this stage, but I have not had any specific conversations about the withdrawal of that funding.

**Mr PATTERSON:** In a similar vein, another one of the programs cut was in relation to the \$32.5 million support for the development of Australian spaceports. We have Southern Launch looking to try to establish their facilities here. Maybe it is a twofold question in terms of what the feedback has been in general regarding the program cut, but then also an update on Southern Launch and them trying to get launches off the ground.

**Mr PRICE:** I may have answered the previous question with a view of launch facilities. Southern Launch's application is still with the planning minister and that is still under his consideration at the moment.

**Mr PATTERSON:** On a larger scale, just last week we had the federal government announce the cancellation of the \$1.2 billion National Space Mission for Earth Observation, and you talked about the government's intention being to put satellites in orbit but now potentially looking to purchase that data from other countries. What has the feedback been to you, minister, from South Australian space companies and industry stakeholders in relation to this substantial program?

**The Hon. S.E. CLOSE:** Of course, it is to continue to purchase data because the government does not own any satellites at present. I am really pleased we are building our own, by the way. I think that is a really good counter for that decision, that we are still investing in having our own. I am disappointed in the decision because I think as a nation we are going to need our own satellites sooner or later, so to me it is likely to be a deferral of the purchase.

My understanding is that it had not gone to tender, so there are no companies that thought they were doing it and now are not. There are no job losses in that sense. One of the reasons may have been that it was in that very early phase and another reason may very well have been that we are getting the data anyway, but I think anyone who is looking at the way that we are increasingly

dependent on the information that we get from space and near Earth observation knows that we will increasingly want to have autonomy, sovereign capability, in that.

Again, the feedback that has reached me has been less about that being a problematic decision for employment in the next five years, other than Inovor, which has raised the concern, and more about wanting to know that the Australian government understands the power of information that comes from space and the utility in having control over that. I would have loved the decision to have been different, but I also have a sense of the longer view that it is going to come back around. It is disappointing that it is not now, and we just have to maintain our dedication and enthusiasm.

**Mr PATTERSON:** I agree that it needs to come back; it is something that is important to us as a country, for sovereign capabilities. Talking of sovereign capability—and it is aligned to defence as well—some of the big prospects for space companies getting involved are in big defence projects. What actions are you as a minister taking to ensure, in light of these federal cuts, that South Australian companies can still establish themselves in space supply chains so that they will have the ability of flight heritage to continue to bid into upcoming massive billion-dollar space-related defence projects?

**The Hon. S.E. CLOSE:** Rather than the chief executive writing some ideas for my somewhat tired brain, I will ask him to answer.

**Mr PRICE:** Obviously, our own satellite, Kanyini, is about getting flight heritage for the South Australian space industry. Other companies, such as Neumann, are getting space heritage through small satellites as well. Really, we are in a phase now where we are going to protect and defend the industry that we have, and that is really focused on connecting those companies into those international supply chains. It is going to be a challenge, though, without large federal projects to pull them through.

**Mr PATTERSON:** You talked about international companies wanting to come here and set up because they saw the opportunities of having a space agency here and federal government investment, but also in South Australia we have the defence and space landing pads. Regarding these cuts, especially to the National Space Mission for Earth Observation, have you had discussions with the space landing pad companies as to whether they are affected by these cuts? What feedback are they providing about their intention to remain here?

**The Hon. S.E. CLOSE:** Again, I will ask the chief executive to give the feedback that he has been receiving.

**Mr PRICE:** I do not wish to identify individual companies, but I have certainly spoken to at least three international companies who are reviewing their strategy for the Australian market in light of changes to the federal budget. In terms of the landing pad, it remains full with a variety of defence and space companies, and I do not envisage that there will be any availability in the next couple of years.

**Mr PATTERSON:** Can I take from that, in terms of allocated budget for the defence and space landing pad, that it will be continuing? In this budget, the 2023-24 budget year is the last year there is funding. Is there more funding for it in this budget, going forward beyond those years?

**The Hon. S.E. CLOSE:** It is continued to be funded, which is good.

**Mr PATTERSON:** That is good news. In terms of speaking with your federal counterparts around this, we do not want to lose the momentum because it has taken a while to get going. We do not want to go back to the 1960s, where we had great momentum and then we lost it. You have spoken to the federal minister, Ed Husic; you have said that before. Have you elevated this to the Prime Minister?

**The Hon. S.E. CLOSE:** I have not personally. I can have a discussion with the Premier about whether it has yet come up. I think you would understand perfectly well that it is really important that South Australia engages at that level in a very strategic and thoughtful way about how much you ask and when at the prime ministerial level. Largely, these discussions occur minister to minister and rarely do they get elevated.

The decision was made, ready for this budget, but it was clear even from last year that the minister was going to reprofile his money from exclusively space to more general advance manufacturing. It ought to be noted that Minister Ed Husic's commitment to advanced manufacturing and to science and innovation remains absolutely solid and that he invites space companies to participate in the money that sits in that part of his portfolio. It was clear that he was going to do that and that it was a rebalancing, in his view, of how much the previous government had dedicated exclusively to space.

As a state, I think we are best off building up the case with the federal government about newer projects and ways in which they can participate, rather than escalating to the Prime Minister and remonstrating against decisions that have been made. I think what we are doing is making sure that we are holding firm to our commitments, and we will identify opportunities for future partnerships with the federal government that I think they will find attractive as time goes on.

**The CHAIR:** On that note, it is a good place to end for the day. The allotted time having expired, I declare the examination of Defence SA complete and refer the proposed payments to Estimates Committee B for further examination. Thank you, minister. Thank you to the advisers, and thanks to the members of the committee. Thank you, staff, as well. I also thank the security officer up there, who has been really excited by the whole event. There is no-one in the gallery, so I am not sure who she is keeping safe: the public servants or us? I am not sure.

At 17:00 the committee adjourned until Tuesday 4 July 2023 at 09:00.