

HOUSE OF ASSEMBLY

Thursday, 19 June 2025

ESTIMATES COMMITTEE A

Chair:

Hon. A. Piccolo

Members:

Hon. V.A. Tarzia
S.E. Andrews
Ms N.P. Clancy
Mr A.E. Dighton
Mr. S.J.R. Patterson
Mr. T.J. Whetstone

The committee met at 09:00

Estimates Vote

STATE GOVERNOR'S ESTABLISHMENT, \$4,748,000

AUDIT OFFICE OF SOUTH AUSTRALIA, \$20,037,000

DEPARTMENT OF THE PREMIER AND CABINET, \$508,394,000

**ADMINISTERED ITEMS FOR THE DEPARTMENT OF THE PREMIER AND CABINET,
\$27,324,000**

Minister:

Hon. P.B. Malinauskas, Premier.

Departmental Advisers:

Mr R. Persse, Chief Executive, Department of the Premier and Cabinet.

Ms N. Chandler, Deputy Chief Executive, Department of the Premier and Cabinet.

Mr W. Hunter, Chief Operating Officer, Department of the Premier and Cabinet.

Ms C. Hodgetts, Director of Finance and Procurement, Department of the Premier and Cabinet.

Mr R. Morris, Chief Executive, Premier's Delivery Unit, Department of the Premier and Cabinet.

Mr D. Romeo, Executive Director, Premier's Delivery Unit, Department of the Premier and Cabinet.

Mr A. Blaskett, Auditor-General, Auditor-General's Department.

Ms J. Blanche, Chief Operating Officer, Auditor-General's Department.

Mr S. Whetton, Chief Executive, South Australian Productivity Commission.

Mr J. Conway, Chief Executive, Infrastructure SA.

Ms A. Pollice, Manager, Governance and Business, Infrastructure SA.

Ms D. Dixon, State Project Lead, Lot Fourteen.

Mr M. Warren, Chief Executive, SA Motor Sport Board.

The CHAIR: Welcome to today's hearing for Estimates Committee A. I respectfully acknowledge Aboriginal and Torres Strait Islander peoples as the traditional owners of this country throughout Australia and their connection to land and community. We pay our respects to them and their cultures and to elders both 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 Premier and the Leader of the Opposition have agreed on an approximate time for the consideration of the proposed payments, which will facilitate a change of departmental advisers. Can the Premier and Leader of the Opposition please confirm that they have agreed to the procedures for today?

The Hon. P.B. MALINAUSKAS: Yes.

The Hon. V.A. TARZIA: Yes.

The CHAIR: Changes to committee membership will be notified as they occur. Members should ensure the Chair is provided with a completed request to be discharged form. If the Premier 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 5 September 2025.

I propose to allow both the Premier and the Leader of the Opposition to make opening statements of about 10 minutes each, should they wish to do so. There will be a flexible approach to giving the call for asking questions. A member who is not on the committee may ask a question at the discretion of the Chair.

All questions are to be directed to the Premier, not the Premier's advisers. The Premier may refer questions to advisers for a response. Questions must be based on lines of expenditure in the budget papers and must be identifiable or referenced. Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion in the assembly *Notice Paper*.

I remind members that the rules of debate in the house apply in the committee. Consistent with the rules of the house, photography by members from the chamber floor is not permitted while the committee is sitting. The Premier 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, that 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's website.

I now proceed to open the following lines for examination: State Governor's Establishment, Auditor-General's Department, Department of the Premier and Cabinet, Productivity Commission and Infrastructure SA. The minister appearing is the Premier. I declare the proposed payments open for examination. I call on the Premier to make a statement if he wishes to do so and to introduce his advisers, then I will give the Leader of the Opposition an opportunity to make a statement as well.

The Hon. P.B. MALINAUSKAS: Thank you, Mr Chairman. The practice that we have adopted has been to not make an opening statement so as to facilitate more questions from the opposition, which is an opportunity that I certainly appreciated when I was in that office. I will take the chance very quickly to thank all the officials across the Department of the Premier and Cabinet and associated agencies for the preparations for today. It is an enormous amount of work and I am very grateful for it.

Can I introduce the Chief Executive Officer of the Department of the Premier and Cabinet, Mr Rick Persse; also the Deputy CEO of the department, Nari Chandler to my left; and then to my right is Wayne Hunter, who is the Chief Operating Officer of the Department of the Premier and Cabinet. We look forward to, as best we can, affording as much information to the house throughout the course of today's proceedings.

The CHAIR: Do you wish to mention the people behind you?

The Hon. P.B. MALINAUSKAS: As they come forward I will do that.

The Hon. V.A. TARZIA: There is no opening statement from me. I am happy to get into questions, if it is the will of yourself and the committee.

The CHAIR: Yes, that is fine.

The Hon. V.A. TARZIA: Wonderful. Good morning, Premier, good morning team. We might kick off with Budget Paper 4, Volume 4, page 17, the 2024-25 budget and estimated figures. The 2024-25 estimated result for the program is \$163.866 million which is far above the original 2024-25 budget of \$115.927 million. Why was there an overspend of almost \$50 million there?

The Hon. P.B. MALINAUSKAS: My advice is there are a range of things that inform that variance, many of which are associated with various machinery of government changes and some of which are additional expenditure. For instance, there is an additional allocation of \$10.051 million to the reprofiling of the Business Events Bid Fund, which, the Leader of the Opposition might be familiar with, sits there and is only ever called upon in the event that Adelaide Venue Management makes a successful application for a major conference or a bid. That accounts for a very significant proportion of it.

Then there are a range of other programs and machinery of government changes that have informed that variance. For instance, there is \$4.75 million for an agreement with Adelaide Uni regarding tenancy at Lot Fourteen, \$3.3 million in variation to corporate overhead allocations across a range of programs, and an \$896,000 transfer from the Arts Investment Fund to the SA Museum's review that we conducted, and so forth. So there is a range of things that make that up.

The Hon. V.A. TARZIA: How is the department allowed to overspend its budget effectively by, say, 40 per cent?

The Hon. P.B. MALINAUSKAS: My advice is that it is not an overspend. Rather, we see a transfer of activities between various agencies and other departments that in turn changes the budget profiling. So it is not as though there is necessarily a specific budget line or allocation that is made within the budget that is then in turn overspend, but if it is a function between agencies or there is a machinery of government change, then it in turn means DPC spends more than what another department may spend.

The Hon. V.A. TARZIA: I refer to Budget Paper 4, Volume 4, page 17, expenses versus actual. The Premier and Cabinet policy and support programs expenses are budgeted at \$203.194 million in 2025-26, yet—

The Hon. P.B. MALINAUSKAS: I just want to make sure I am following you here. You are talking about?

The Hon. V.A. TARZIA: Total expenses.

The Hon. P.B. MALINAUSKAS: Yes.

The Hon. V.A. TARZIA: You see that figure of \$203.194 million?

The Hon. P.B. MALINAUSKAS: Yes.

The Hon. V.A. TARZIA: So the expenses are budgeted at \$203.194 million for 2025-26, yet actual expenditure in 2023-24 was only \$146.631 million. Why has that expenditure increased by almost 40 per cent for what looks like the same program next year? It is quite a big jump.

The Hon. P.B. MALINAUSKAS: The answer is largely the same as my previous explanation. To give maybe even more context again, the advice that I am receiving is that where you see reprofiling of expenses from one year to the next, which has occurred in this instance—whether it be the Business Events Fund or the Major Events Fund—if something is not expended in one year and is reprofiled to another, then that accounts for a significant proportion of the discrepancy, which is what you see in this instance.

For instance, one of the most substantial expenses in any government department, or in almost all government departments, is obviously the number of people who are employed. On the bottom line, you do not see a proportionate increase in the number of employees. The expense is partly driven by a number of people, but it is not exclusively that. What it is driven by is the level of activity being reprofiled from one year to the next. That is the advice that I am receiving.

Maybe if I give some more examples for the benefit of the leader, in 2025-26, there are other things that we have accounted for that constitute new activity. We have part of the COP effort—when I say 'part', the majority of the COP effort, up until this point, is being led by the Department of the Premier and Cabinet and that accounts for \$2½ million, another specifically \$2 million exclusively for winter business events is accounted for here, the centralisation of activities around government advertising and insights being transferred from other departments to the Department of the Premier and Cabinet to achieve an efficiency outcome reflects partly in there, disaster recovery funding arrangements and the Voice to Parliament budget measure. All of these things add up to formulate parts of that.

The Hon. V.A. TARZIA: Since you mentioned COP, I might just go to that. In Budget Paper 4, Volume 4, page 17, in relation to COP, and you could also look at Budget Paper 5, Budget Measures Statement, page 8, since there was expenditure mentioned about—

The Hon. P.B. MALINAUSKAS: Sorry, Budget Paper 5, page—

The Hon. V.A. TARZIA: Page 8, across government, conference of the parties. It is a supplementary to that. Is the Premier able to please outline what attributed to the \$1.070 million estimated spend in 2024-25?

The Hon. P.B. MALINAUSKAS: Yes. The leader will appreciate that I am just getting some of that detail to provide a bit of clarity. Going right back to 2023 is when the state government first started working behind the scenes to inquire about the opportunity to be able to pursue COP, which of course has been a bipartisan position—or at least to the best of my knowledge it was a bipartisan position—to pursue COP. There are a range of different challenges that we had to be able to be considered in a serious way for hosting COP31.

It is fair to say that there was a degree of scepticism in the Canberra bureaucracy that Adelaide had the capability to be able to host an event of this size and scale. We formulated a team back in 2023 in the Department of the Premier and Cabinet to actually seek to put some of that cynicism and scepticism to one side by a presentation comprehensively of the facts around our ability to be able to do this, and from that moment essentially started to incur expense.

This was not released publicly at the time, but what we have certainly put on the public record since, is this bid here, which is a comprehensive sort of presentation in excruciating detail, of all of the things that would underpin our ability to do this logistically. It is actually pretty complicated. You have to think about it in the context of one of the biggest events outside of the Olympics: public transport, security, traffic movements, venues, health planning, disaster planning, and then, obviously, more basic things just like rooms—where people are going to sleep—and everything else.

We engaged KPMG at some expense, it is fair to say, to the government, to be able to independently produce a piece of advice as well. And then all of that formulated in effect a bid that we made to Canberra to be able to do that. Along that journey there has been an expense incurred in order to be able to prepare that. It is no different to preparations of any tender document or any other bid, and that is what you start to see reflected in the costs. Of course, the Treasurer, given the Prime Minister's announcement during the course of the election campaign, has allocated yet more funds, the bulk of which are being transferred to SAPOL. When I say the bulk, a significant portion of it is going to SAPOL for their security planning work, which is very substantial indeed.

The Hon. V.A. TARZIA: Just speaking to that, it mentions on the same page that the initiative provides \$8.3 million over two years from 2024-25 to support South Australia's preparation for Adelaide to host COP31 in November 2026, should the commonwealth government be successful in its bid. Just a supplementary there: how will we recoup the money if we are not successful in the bid? How does that work? Do we do our dough or what do we get back?

The Hon. P.B. MALINAUSKAS: I think the short answer is that when you bid for something and you do not get it you lose, and therein lies the challenge. There will be some costs that may be recoverable in conjunction with the commonwealth, but the reality is that, if you want to put your hand up—I mean, it is no different to Gather Round. We had to make a bid there and that would have cost money putting that bid together.

I guess there are two ways of approaching that challenge when you are in a position of responsibility. You can either sit back and say, 'Look, we're not going to try in case we fail.' That is not what I teach my kids. I teach that you should always put your hand up and have a go. That is the way you get ahead, you have got to have a go. That brings with it risk and I accept that. You have to make calculated risks and considered judgments, and that is what we have done in this instance.

We started from a position where, quite literally, I was party to a conversation in Canberra where the idea of Adelaide hosting this was scoffed at. I remember exactly who I was talking to, where and when, and it was scoffed at, because every time this country has ever hosted any event remotely close to the scale that this one is, it has been in Sydney or Melbourne. I do not accept that should be the default position, so we had a lot of work to do, and that means you wear expense along that journey.

We are now in a position that we know definitively, if Australia does win this bid, it is going to be in this city. We have not yet won it because Australia is not yet the host but, in the event it is, we are already ahead of the pack, which I think is more than a demonstration that this investment was justified and meritorious.

The Hon. V.A. TARZIA: Out of that money, how much is a sunk cost that is unrefundable in the event that we are not successful?

The Hon. P.B. MALINAUSKAS: It is a budget allocation. You will appreciate that it is a budget allocation and expenses are incurred iteratively as the process continues. If, for instance, we found out tomorrow that Australia's major competitor to host COP, which we understand to be Turkey—if indeed Turkey was awarded the hosting rights, which is a possibility, then of course not all that money would have been expended and, for the money that is not expended, the work will just cease and everyone who is working on this at the moment will go back to their day jobs, particularly in SAPOL but a range of other agencies.

It is important to remember that this is not all money that has been expended thus far. The money that the Treasurer announced in the budget is an allocation that will be spent over time as we prepare. We have got no choice but to do this. Well, that is not true, we could withdraw. That is an option. If we were willing to withdraw we could not expend these funds. I am not too sure why we would do that. I mean, why would we give up when we are in an amazing position to host one of the most important conferences globally, let alone the economic impact of the conference itself.

It also presents potentially a state-defining opportunity to put South Australia and Adelaide on the map in terms of the work that we have all collectively done to decarbonise our economy in a way that is truly globally leading. That is an opportunity I do not want to turn down. In fact, that is more important to me than filling up hotel rooms in this instance.

Another thing worth noting is the Leader of the Opposition asked about sunk costs. The opposite is true here, because all of the preparatory work that has gone into this has actually been illuminating because, for probably the first time, what we have seen is an unprecedented degree of collaboration between venues in the precinct where COP will be rather than competition. The default setting for Adelaide Venue Management is to look at Adelaide Oval as competition and vice versa. It is the same with Memorial Drive and it is the same with the Festival Centre.

Here, what we have actually had to do is bring the Festival Centre, Memorial Drive, Adelaide Oval, and Adelaide Venue Management through the Convention Centre, and other parts, all together to sing from the same hymn sheet, to actually work together to put our best foot forward. What that has developed within government is a bunch of IP that actually invites us to lift our eyes a little bit and look for other opportunities to do big events where we look at that precinct holistically rather than in competition with one another. That has been valuable, and all of that IP will be retained in government regardless of the outcome.

The Hon. V.A. TARZIA: How much has been expended to date on it?

The Hon. P.B. MALINAUSKAS: The advice I received is that \$890,000 was spent in 2024-25 and in the upcoming financial year \$3.142 million; that is budgeted in 2025-26. Again, that goes to the point, if that is what is budgeted and we find out we miss out, then we will stop spending the money, obviously.

The Hon. V.A. TARZIA: The same line. If successful in the bid, what is the total expected cost for infrastructure and personnel, especially around additional police?

The Hon. P.B. MALINAUSKAS: The cost of the hosting of the event is substantial, but that will be subject to an intergovernmental agreement between the South Australian government and the federal government. Of course, it is the federal government that wears the overall majority of the cost. We have made clear to the commonwealth that we will partner with them, and there are expenses that we will incur, a significant proportion of which will be, in effect, in kind, because we will be utilising existing government resources within budgets, but there will be other expenses that will have to be negotiated with the commonwealth. Discussions are in situ with the federal government, particularly since the Prime Minister made his announcement that it would be Adelaide that hosted—in the event that we get it. Those negotiations will be ongoing.

Part of the challenge that we have got here is time. This is in November next year. The Convention Centre—and I was speaking to Martin about this recently—is taking bookings out to 2029 at the moment, or something. It is incredible how far in advance these things are booked. This is in 18 months—less than 18 months. For the poor people that I have imposed this on, it is actually terrifying. They have got no choice but to get to work under the assumption that we may get this. If we do not find out until later in the year, hypothetically, that we get it, then the window will almost be too small for us to start to do any preparatory work.

I had a briefing the other week with the police minister and a group of officials from DPC and SAPOL, and when you actually start to go through the level of detail that is required to plan this, frankly, I do not think the South Australian community have yet fully comprehended just the size and the scale of this thing. It is unlike anything we have ever hosted before, so all the preparatory work needs to reflect that and so we have got no choice but to get on with the task. It would be regrettable if we missed out on the opportunity, but, if we get it, it really could be a very special moment for the state.

The Hon. V.A. TARZIA: We will come back to Budget Paper 4, Volume 4, page 17, in terms of workforce increase and changes. You have got the program Staffing. You mentioned the staff numbers before, so you have got 296.9 FTEs for 2025-26 budgeted. That is up from 243.7 FTE actual—must be nice, about a 22 per cent increase. Why has the program increased its FTE count by almost 53 positions?

The Hon. P.B. MALINAUSKAS: Because we are doing more work.

The Hon. V.A. TARZIA: You are doing more work?

The Hon. P.B. MALINAUSKAS: A lot more work, yes.

The Hon. V.A. TARZIA: Have new positions been created and, if so, what are those positions and what are their relevant salary bands and ranges?

The Hon. P.B. MALINAUSKAS: If I could put a bit more detail about my previous succinct response about doing more work, it is literally true in two respects that DPC is doing more work. There is more work because of decisions that are taken by government, but then there is also more work that we are doing that other agencies used to do. So, again, machinery of government changes result in other departments not doing functions they once did and DPC taking them over. That accounts for a number of things.

For instance, I referred earlier to the Government Advertising and Insights Hub. We have reduced staffing in other agencies to consolidate it within DPC. That accounts for 15.7 FTEs. Other examples are: six people for disaster recovery funding arrangements; six people for security emergency recovery management projects with SAFECOM; two people working on foundation

supports; and one person for the Museum review that I mentioned that occurred and community engagement budget measures.

If we take the Museum review, that is one person, so it is small beer in the scheme of things. But every time someone in this office announces that we are going to undertake this inquiry or we are going to do this piece of work or we are going to do this in terms of managing drought or whatever it might be—I know there was a big effort when we did the flooding response from that major flood that the member for Chaffey knows about all too well—that requires people to step up to the plate and do work. Often, those people will be transferred between agencies.

I have had a predisposition that where there is something that is of significant interest to the state and myself as Premier and affects more than one agency, then I think DPC often can be a good place to house a coordinating effort. I have been predisposed to do that on a few occasions. COP pursuit is a good example of that. We could have put that into any number of agencies, but I made the decision to do it in DPC so I have a direct line of sight of it. That is why we retain a line of sight of Lot Fourteen, which was put in DPC but again could be put in any number of different agencies.

There are a whole range of different things. Those things are not necessarily permanent in nature. The work that we did around the social media ban was a lot of policy effort that had to be coordinated somewhere. Because it was me leading the charge on that one, we centralised a lot of that effort out of DPC. Every time we do one of these things, it has a consequence and requires a resource. But, like I said, lots of these things are examples of machinery of government changes.

The Hon. V.A. TARZIA: So can you outline which transfers or new initiatives have affected the headcount for the program, and can you confirm that the current FTE allocation is sufficient for 2025-26?

The Hon. P.B. MALINAUSKAS: As it stands, yes, except to say this: that the government and I as Premier reserve our right to adjust it. If an opportunity presents itself or a challenge emerges that we have to respond to, then we have to be flexible to be able to do that.

What I would say is in terms of headcount overall, DPC—no different to any other department—has to be alive to the fact that it just cannot be an ever-increasing pool of resources. The Government Advertising and Insights Hub is a good example of this. This is a savings and efficiency opportunity and something that was a function of a cabinet decision, because we had to put in some discipline to make sure that we did not take out a communications person from SA Health, for instance, and put them in DPC only for SA Health to then replace that person doing the same work. So there has to be a bit of discipline around it.

But we do not want to see an ever-graduating increase unless it is coming from somewhere else, otherwise it has broader budget implications, which is pretty important to us given that we have been so determined to run budget surpluses.

The Hon. V.A. TARZIA: I move to the Premier's Delivery Unit (PDU) in Budget Paper 4, Volume 4, page 22.

The Hon. P.B. MALINAUSKAS: If we are moving on to the PDU, I might invite the CEO of the PDU to pull up a pew. Can I introduce Mr Rik Morris, who is the CEO of the Premier's Delivery Unit.

The Hon. V.A. TARZIA: The PDU was budgeted to spend \$2.012 million in 2024-25, whereas its estimated expenditure in 2024-25 was \$2.395 million. What was the reason for the overspend by the PDU, and can you outline how this money was spent?

The Hon. P.B. MALINAUSKAS: I can, because I asked this question myself. There are a few different things, and if you want to go into detail, I am happy to do that. The PDU was established principally to make sure there was a consolidated monitoring of election commitments within the government. There were well over 500 different commitments.

The Hon. V.A. TARZIA: Like 'fix ramping'; those sorts of commitments?

The Hon. P.B. MALINAUSKAS: That is an example. For the over 500 commitments, we are very methodically and deliberately going through, making sure that we tick off every last one that

we can. At this stage, I think we are on track to honour the overwhelming majority of those commitments, which stands the government in good stead in terms of honouring the commitments we made to the people of the state. Your job, of course, is to focus on the ones that we have not honoured. That is your task, that is your responsibility.

We want to make sure we honour as many as we can, and that is what this work is doing. With time, not just from my perspective but also from other agencies' perspectives, there has been a value that has been demonstrated by the PDU, which is a relatively new thing—not in the context of other state governments or national governments globally, but it is certainly new in a South Australian frame. It has had value.

The PDU, for it to be successful, has to work in collaboration with other agencies. It does not walk around with a big stick. I do not reflect on this publicly very often, but the CEO of that particular agency has this sort of way about him that lends itself to, in a collaborative way, making sure things are delivered, which then invites the question of whether or not there are other things that the PDU can do that are of use to the government and the people we serve. For instance, as there have been new initiatives that the government has undertaken beyond the commitments that we made at the election, there are areas of monitoring and scrutiny that we have asked the PDU to do that they were not originally budgeted to be able to do.

One of the areas I would cite that is really important to us is the Housing Roadmap. The Housing Roadmap is a huge policy effort in the lead-up to the middle of next year. It is one of the most comprehensive housing policies that we have had in this state in generations, and there are a lot of moving parts to it. It is not one commitment: it is a suite of measures, and I have asked the PDU to monitor that. That is over and above what was already there, so that invites a bit of work. But also just in general policy coordination, you want to make sure that you are not just funding a local consideration. It makes sense if things are looked at in a consolidated or holistic way, and that policy work remains ongoing outside of just delivering election commitments.

The Hon. V.A. TARZIA: Are you able to please provide the committee with a list of the 500 commitments you referenced that the PDU is working towards delivering, and for each their status?

The Hon. P.B. MALINAUSKAS: What, you want me to start going through all 500?

The Hon. V.A. TARZIA: I asked for a list.

The Hon. P.B. MALINAUSKAS: I mean we can. Let me start.

The Hon. V.A. TARZIA: I asked for a list. Can you provide a list?

The Hon. P.B. MALINAUSKAS: To provide a list. Well, I am more than happy to inquire whether or not we can furnish that. I think most of it is all out there; in fact, I think you have it.

The Hon. V.A. TARZIA: Like on the website that you have deleted?

The Hon. P.B. MALINAUSKAS: You have had a copy of it for a while.

The Hon. V.A. TARZIA: What 'Pete Delete'? That one there?

The Hon. P.B. MALINAUSKAS: I thought that you had a copy. Isn't this your job?

The Hon. V.A. TARZIA: Yes, but we want updated information, the status of each.

The Hon. P.B. MALINAUSKAS: I am more than happy to go away and provide some consideration to that.

The Hon. V.A. TARZIA: Okay, thank you. Going to expenses and actuals, again in Budget Paper 4, Volume 4, page 22—thanks, Mr Chair, for allowing play on as well, it is very appreciated, the flow. The PDU has now been provided, by the looks of it, an increased budget of \$2.416 million in 2025-26 and two additional FTEs. You sort of touched on it, but why has the PDU been provided with additional funding for the financial year?

The Hon. P.B. MALINAUSKAS: The answer to that rests in my previous answer.

The Hon. V.A. TARZIA: The Housing Roadmap, even though you have a super minister?

The Hon. P.B. MALINAUSKAS: That was an example, but there are a number of other measures as well.

The Hon. V.A. TARZIA: Will those additional resources enable you to deliver your election promises?

The Hon. P.B. MALINAUSKAS: It has been a huge help, and if you look at the volume of promises we have delivered upon, which is I think objectively a very large number, it has been a huge help. That has become more apparent to me over the last couple of years because in government things come up, problems emerge, crises develop that are not anticipated. When that happens, the first thing I do is get on the phone to Rick Persse, the CEO of Department of the Premier and Cabinet, and agency heads and say, 'What are we doing about this? How do we confront the challenge? What can we do here?' and that then commands a whole bunch of effort.

What I have witnessed in previous governments, not just here but abroad, is that all those things become all consuming. Again, I would use the Housing Roadmap as an example; last year it was the social media reform; honouring our commitment around electoral donations took up a huge amount of my time; obviously the drought is at the moment and we had the floods. All of these things happen. That is the nature of government. And then, of course, there is Whyalla. That is probably the one—that and the Housing Roadmap probably are the two most intensive efforts.

What happens is you get consumed by these things, as you absolutely should, and then the attention of government goes elsewhere and then all of a sudden you wake up one day and you find out you have not honoured a commitment to the people of Black to deliver a 24/7 pharmacy, right? This is a problem, so that is where having a discrete consolidated effort within government which has one singular task to monitor those commitments and make sure we deliver upon them has been of use, not just to the political apparatus of government for the political purposes but also to the heads of departments to make sure that someone is monitoring this and keeping them on track as we impose ever more requests on them to do other things.

The Hon. V.A. TARZIA: Still on Budget Paper 4, Volume 4, page 22, which notes that PDU is set to oversee progress on delivery of initiatives identified within state budgets, the Housing Roadmap and remaining election commitments in 2025-26. The question I have there is: what specific initiatives from the Housing Roadmap are the PDU overseeing?

The Hon. P.B. MALINAUSKAS: There is a number: all the activities within SA Water, which is a significant proportion of it, but also there were a large number of other commitments within the Housing Roadmap. The first thing is ongoing engagement with making sure that the relevant agencies, particularly DHUD, have ongoing engagement with the industry. We were accelerating the code amendments, the process that exists around code amendments that had to be accelerated.

There are also the specific commitments that we have made around strategic infill sites—take, for instance, what we have said around Southwark and affordable housing components—and the work that we are doing with the commonwealth on its programs in conjunction with us. One of the big areas and more challenging areas, although it sounds simple, is the commitments that we have made on social infrastructure and planning around social infrastructure.

Obviously we also announced detail earlier this year, following the Housing Roadmap last year, on all the work we are doing in the north in particular around new schools and other critical social infrastructure as well as the new Northern Adelaide Parklands. That is actually quite a new and innovative thing where we are capturing the value from the uplift to the cost to the value of land, particularly around Kudla. We are doing a code amendment there to make sure that a whole range of landowners who are going from rural living that has currently quite a low value in terms of the value of the land, and once we rezone it or change its—

The Hon. V.A. TARZIA: Zoning.

The Hon. P.B. MALINAUSKAS: Zoning, yes. There was another term I was looking for. Once we do the code amendment, instantaneously the value of that land goes up. We have had to do work to make sure we have a mechanism to capture the value of that land that we can, in turn, invest in a Northern Parklands that is a long 20 to 30 year project for the northern suburbs.

All of these commitments within the Housing Roadmap need to be monitored. It is not the job of the PDU to deliver those things—that is DHUD—but to monitor them and provide me a line of sight over what we are doing. Curtis Road is another good example of a really important project out there to be able to maintain the social licence of the community in what is a growing area. So there is a fair bit of work in that.

The Hon. V.A. TARZIA: What does the PDU do that yourself and the minister cannot do?

The Hon. P.B. MALINAUSKAS: Monitoring, getting into the department, independently verifying information to make sure things that are said to be happening are actually happening: it is important. Think about it—

The Hon. V.A. TARZIA: Why would the minister not do that, or the CE?

The Hon. P.B. MALINAUSKAS: Well, they should be doing that. I guess you will appreciate that a monitoring exercise—

The Hon. V.A. TARZIA: It is like an extra layer of oversight.

The Hon. P.B. MALINAUSKAS: I want to refrain from using terms like 'cop on the beat' and so forth, but it is about having a direct line of sight that is only reportable to me and directly to the Premier to make sure that everything is happening.

The Leader of the Opposition, having been a minister, will appreciate that one of the challenges in government is that a political leader needs to be able to test the information that is being put before them—and that is not necessarily because people seek to deliberately mislead the minister, but information can be massaged, so to speak, and I think the way you address that in these offices is you try to have multiple sources of truth or multiple lines of inquiry to test information and validate information. You ask questions constantly so that the information that you are getting then informs your judgement about whether or not something is working or failing and is as accurate as possible.

The Hon. V.A. TARZIA: Have you had any examples of where the integrity of the information received from a minister or CE has led you to the conclusion that the PDU is justified?

The Hon. P.B. MALINAUSKAS: Yes, I have.

The Hon. V.A. TARZIA: Can you give us any examples?

The Hon. P.B. MALINAUSKAS: This is the problem with being candid in these forums. I will not name specific people, but one of the really important programs to the government is what we are doing around technical colleges, and I think it is fair to say that the work of the PDU around where those programs sit in terms of timelines has been something I have been very grateful for.

There is a great team working within the Department for Education on delivering those technical colleges. It is actually really quite hard. Delivering the physical buildings on existing school sites, making sure they are on time, is tricky and that has to be done in conjunction with actually developing the partnerships with major employers so that our model of the technical colleges works, where a kid gets out of school and gets a job on day one, in effect. That has actually been quite an ambitious undertaking. I am just giving you one example of having the PDU report to me on that in conjunction with the minister, and the CE of that department has been really quite helpful.

The Hon. V.A. TARZIA: What is the gender ratio of the PDU? There are only nine of them, how many men and how many women?

The Hon. P.B. MALINAUSKAS: I will have to take that on notice.

The Hon. V.A. TARZIA: You do not know?

The Hon. P.B. MALINAUSKAS: Off the top of my head, no, I do not.

The Hon. V.A. TARZIA: There are a couple just there.

The Hon. P.B. MALINAUSKAS: I know off the top of my head what the gender ratio is of your team: I think you have two women.

The Hon. V.A. TARZIA: We ask the questions, Premier.

The Hon. P.B. MALINAUSKAS: I am not asking you a question, I am answering it.

The CHAIR: Leader of the Opposition, the Premier has indicated he will give you the information. Let's move on.

The Hon. V.A. TARZIA: Thank you, sir.

The Hon. P.B. MALINAUSKAS: The other thing the Leader of the Opposition will appreciate is that I, and I alone, get to employ chief executives. We do not employ everybody in the public sector, but we are very proud as a government of our record of positions that are under our appointment having, as best we can, a balance in terms of gender mixes, and take our board appointments as an example of that.

I think that maybe for the first time in the history of the state, over half of all the people the government has appointed to boards are women—over half. I am really proud of that and it is something we monitor very closely. In terms of CEs, the Under Treasurer for the first time ever is a female. I can go through all the ones I employ, but the head of the OECD, which is probably one of the most important policy efforts within the government, something the PDU monitors, is female; the head of DCP is female; Health, the largest agency and governed by a considerable margin, is female; the DHS CEO is female; AGD is female.

The Hon. V.A. TARZIA: The question was about the PDU, sir.

The Hon. P.B. MALINAUSKAS: And I said I am happy to take that on notice, particularly given that I do not employ the staff within PDU. That is a decision of the chief executive.

The Hon. V.A. TARZIA: What outcomes or KPIs will the PDU be monitoring for housing in 2025-26?

The Hon. P.B. MALINAUSKAS: I think I covered off on that, but one of the things that we will continue to monitor is the statistics around the homes that we are building. We have the commencement and completion rate up in South Australia to some of the highest levels we have ever seen, to the extent that the growth in commencements and completions is exceeding the nation. The national average is falling and we are increasing. They are not my numbers, they are numbers from independent organisations such as the ABS. What we are doing is working and we want it to keep working because, as we have discussed in the parliament during question time a lot, it is the government's view, and I think most people's view, that if you are not increasing supply you are not really making a difference at all.

The Hon. V.A. TARZIA: In 2023, the government said building would commence on land-lease sites in Sellicks Beach, Dry Creek and Concordia in 2024. Is the PDU responsible for overseeing the delivery of these homes and, if so, when will they be completed?

The Hon. P.B. MALINAUSKAS: The PDU, like I said, has a monitoring role. They are not overseeing the delivery, that is what I explained earlier.

The Hon. V.A. TARZIA: Are you satisfied with the PDU's role in monitoring that KPI or that delivery since it has obviously been somewhat delayed from what you initially set out?

The Hon. P.B. MALINAUSKAS: I take a lot of comfort in the verified independent data that is on the full public record around the acceleration in growth in the housing supply market here in the state of South Australia. Particularly relative to the rest of the country where it is falling, it is growing here. I take a lot of comfort from demonstrations of success that we see from the Business Council of Australia or the Housing Industry Association independently nominating South Australia as the best policy effort and, separately again, outcomes. We want to maintain that status as best as we can and keep it going, because the challenge does not disappear overnight: this has been a challenge that has emerged over 30 years, if not longer.

We are just going to have sustained commencements and completions of new homes and get that number up as high as we can. I think what we are doing is working, but there is a pretty long way to go because we still have one of the lowest vacancy rates in the country. In one respect, that

is a reflection of a strong economy where there is a lot of demand, and people are living here and they will have jobs, but we need to keep it going.

The Hon. V.A. TARZIA: I refer to targets 2025-26, overseeing progress of delivery of remaining commitments, again, Budget Paper 4, Volume 4, page 22. With respect to ramping, will the ramping crisis be fixed by the 2026 state election?

The Hon. P.B. MALINAUSKAS: Are you asking a question or reciting something?

The Hon. V.A. TARZIA: No—same page, talking about the delivery of remaining election commitments. Will the ramping crisis be fixed by the 2026 state election?

The Hon. P.B. MALINAUSKAS: We are working as hard as we can. When the Leader of the Opposition looks at the budget papers and sees not just billions, but billions and billions of dollars of new money—I think we are getting close to \$9 billion now of new money in Health—it very much is a demonstration of how seriously we are taking that effort, and the work that we are doing. We have employed 600 doctors over and above attrition since we have been elected. That is six times more than we committed to over and above attrition.

I remember one of my first press conferences I did down at the RAH, after being elected, and there was quite reasonably a lot of critique and examination from the media about whether or not it was even possible to get 100 over attrition given the tightness in the market coming through. Well, we have done six times that and a lot more in terms of nurses, and we have over 300 ambos as well. The work continues. I would love to be in a better position in regard to hospital ramping.

The good news is there are a lot more people coming through, because ambulances are rolling up on time, and that is the difference between life and death, but I am alive to the fact that people who are on the ramp are often elderly people who have suffered a fall. They might not have high acuity—clearly, that is why they are there—but nonetheless they would be better off inside the hospital. More importantly, the ambulance would be better off out responding to patients because their now response times would improve yet again. We see it in the data; we have seen all the improvement in response times. When we have a good week in ramping, which does happen, then response times go up that week. So it just has to be a constant effort.

As the Leader of the Opposition knows, the biggest problem I've got—when I say 'I've got', that we've got and every state government has got—is what is happening with aged care. There are over 240 at the moment in metro hospitals. I think it was somewhere around about 40 when we came to government. If those 200 people were not there that is 200 beds in the system instantly, and 200 beds across the system is a complete game changer. It would literally be a complete game changer if those 200 people were not there in terms of ramping hours. It would collapse, which is desperately frustrating. I am meeting with the federal health minister next week and, again, this will be the number one topic of discussion.

The Hon. V.A. TARZIA: What KPIs is the PDU now working to when it comes to delivering the government's promise to fix ramping?

The Hon. P.B. MALINAUSKAS: That is a good question—and I understand that, and I do not diminish the legitimacy of the opposition pointing to the words 'fix ramping'. What actually underpinned that was a rather comprehensive health policy, and this all gets glossed over in the argy-bargy and rough-and-tumble of politics. We listed every hospital that we could and committed very specifically to various new services, and new bed numbers at specific hospitals.

We said, 'This is the number of new beds at the Modbury, at The QEH, at Flinders, at Lyell Mac, at Victor Harbor, at Mount Gambier'—you name it—'This is the number of mental health beds, this is the number of drug and alcohol beds. This is where we are going to put a new cancer service.' It is very, very specific detail in regard to that health policy.

You focus on the headline. I understand that. Like I said, I do not deny any of it or diminish it, but we did have a lot of detail out there and I suspect you would be focusing on that had we not honoured those commitments, but we either have or are, and the PDU's job is to actually monitor: if we committed X number of beds at the Lyell McEwin Hospital, are we delivering those? And the

answer is yes, which is why it does not get talked about in the media because we have done what we said we were going to do.

I was down at Mount Gambier last week and the hospital down there had a commitment for drug and alcohol detox beds, and also some specific commitments around the emergency department there. That construction is underway, but going to the specific nature of are we still delivering on the drug and alcohol detox beds—because it is an issue in regional South Australia, and the South-East is not an exception—that level of granular detail is what the PDU assesses. I get a report frequently, as do various subcommittees of cabinet. I get a report monthly on that from the PDU.

The Hon. V.A. TARZIA: On any objective measure, the government has delivered 36 months of the worst ramping in our state's history, so how is hiring more bureaucrats in the PDU rather than, say, more frontline health workers going to fix the ramping crisis?

The Hon. P.B. MALINAUSKAS: Are you kidding? I mean, there are seven people on the PDU going to nine. I think I mentioned that last year alone we employed an extra 300 doctors over and above attrition in one year. We said we would do 100 in four years; we did 300 in one year. We have 1,462 nurses over and above attrition, 301 ambos over and above attrition, 385 allied health workers over and above attrition, and 2,794 extra frontline health workers in a clinical capacity on the frontline as a result of our investments—2,794. I mean, that is a population of a whole town in the system today. SA Health now employs over 50,000 people. So, yes, I think it has been valuable having two people monitoring and making sure that we get over 50,000.

The Hon. V.A. TARZIA: Will the Premier provide the public an opportunity to track the progress of the PDU in delivering election commitments? For example, have you considered a published regular update—maybe a weekly update or a dashboard—about all these commitments for full transparency and accountability?

The Hon. P.B. MALINAUSKAS: The PDU reports to me—

The Hon. V.A. TARZIA: They seem to operate in the shadows.

The Hon. P.B. MALINAUSKAS: No, I don't agree. He is right here.

The Hon. V.A. TARZIA: He is here now.

The Hon. P.B. MALINAUSKAS: He is answering your questions.

The Hon. V.A. TARZIA: He has his Redlegs tie on, I think. Very good.

The Hon. P.B. MALINAUSKAS: There you go, you have something in common. I should have known, had I known. We have been very transparent about this. We announced the policy publicly that this is something we wanted to do. It is nine people, or seven becoming nine, and I appreciate that it has been a line of inquiry from the opposition in this forum at each and every estimates, as it should be. That is what you want to inquire about. I understand that, particularly given that the CEO, obviously, has been connected to my side of politics for some time. That invites assumptions and agitations, and I get that, but from my perspective and the government's perspective, and if you ask people within the government who have no political connections or persuasions, it has been quite useful.

The Hon. V.A. TARZIA: We will move on. You mentioned technical colleges delivery. This is still Budget Paper 4, Volume 4, page 22. One of the PDU's key 2025-26 targets is obviously to oversee delivery of the remaining four new technical colleges at Port Augusta, Tonsley, The Heights and Mount Gambier. What is the timeline for those four technical colleges to be both completed and also operational?

The Hon. P.B. MALINAUSKAS: I am going to do this from memory and I am going to look to the PDU to tell me if I have got this wrong. These are questions for the education minister, but I am very keen to answer everything I reasonably can. Modbury will be operational for first term next year. Mount Gambier, which I saw from a distance when I was down there last week, is opening at the beginning of next year.

That leaves Tonsley and Port Augusta. Port Augusta is on track as well. We are hoping that Port Augusta will be open potentially even this year and same again for Tonsley. Enrolments are open at all of them now. I asked the Hon. Blair Boyer about this the other day and it is actually better than what we saw. It was a bit of a challenge in the very first instance with Findon because it was a new thing that no-one really knew about. People were wanting to understand what it was all about but, with people having learned about Findon and seen Findon within the system, and also parents alike, we are seeing good numbers thus far at the other sites.

There is still a bit of work going on around the employer partners like we have with BAE, Helping Hand and others. There is still some work to be done to lock away a few partners, but that is progressing and hopefully we will be able to make some announcements once that is squared away soon.

The Hon. V.A. TARZIA: Is the Premier able to expand on the earlier comment that he made about there being a level of concern about information provided to the PDU about the delivery of technical colleges? Are you able to expand on that?

The Hon. P.B. MALINAUSKAS: Not really. I have made my remarks. I am seeking to provide a candid example to the Leader of the Opposition where it has been of particular use. I am not in the business of focusing on challenges that have been adequately overcome within the public sector. That is just one example of where it was really quite useful, particularly in regard to Findon in the first instance, because that was the first one and it was really quite tricky.

The Hon. V.A. TARZIA: We will move on to Budget Paper 4, Volume 4, page 18, with respect to government advertising. I want to ask about the Government Advertising and Insights Hub. The budget outlines \$1.9 million in 2025-26 for a Government Advertising and Insights Hub within DPC. What is the purpose of the hub and why has it been established? Will all government advertising activities now sit under DPC?

The Hon. P.B. MALINAUSKAS: Not all, but most. Some agencies we have deliberately exempted for a range of reasons. Tourism is a good example of that. SATC have had an advertising function forever and on all accounts are very good at it. In fact, a very significant proportion, if not the lion's share, of the SATC budget is advertising. Whereas other government agencies, frankly, do not do it. There is a specific set of skills here.

We had instances where the government was launching campaigns and effectively going out to the market at the same time and therefore competing with one another on bidding for advertising slots in a way that made it more expensive, which is just crazy. This is particularly true in the electronic media. Government advertising campaigns can have a significant impact on the TV market. I had one TV broadcaster recently recite to me the fact that our expenditure had gone down with them.

The Hon. V.A. TARZIA: Was that socially awkward for you?

The Hon. P.B. MALINAUSKAS: No, it was not. We are not going to apologise for doing our job efficiently. That is what we are here to do. But it was a demonstration of the fact that not everyone is a winner from us doing this. We had government agencies bidding each other up, which is madness. Having a greater degree of coordination is important, as the Leader of the Opposition would well know. In any advertising campaign the work that sits behind the creative can often be a very substantial cost component of it. Having a coordination of that effort as well can also deliver savings.

I have seen some of the government advertising. There have been budgets that have emerged and evolved over time, years and years. I saw an example that was drawn to me by the former CE of DPC of an ad, or a form of advertising around hot water taps can burn if you use them—this sort of madness.

It has to be consolidated and there has to be a greater degree of scrutiny. If departments have a bunch of money to do an advertising campaign, they will spend it. Our point is, let's actually verify that it needs to be spent before spending it. Putting it in centrally aims to achieve that objective. There has been a lot of consternation and inconvenience around this, because departments do not like giving up resources, and I get that.

There will be imperfections that emerge through this model, but it is genuine to be far more consolidated with government and make sure that the efficient use of taxpayers' money is done effectively, acknowledging that some departments are very good at what they do but advertising is not part of their core business.

The Hon. V.A. TARZIA: How many FTEs will sit within the hub?

The Hon. P.B. MALINAUSKAS: There will be 24.3 And, again, all of those people have come from other agencies. The budget allocation to fund that has had no net increase.

The Hon. V.A. TARZIA: Has the government appointed a Government Advertising and Insights Hub ED (executive director), what is their salary and why did the Premier decide to backflip on the original salary offered for the role of around \$430,000 per year?

The Hon. P.B. MALINAUSKAS: It is not my appointment, that is the first thing; it is the appointment of the CE of the Department of the Premier and Cabinet, so it is Rick's appointment. Mr Andrew Fotheringham was appointed as executive director following a merit-based selection process and commenced in March 2025. I think recently—in fact, on Wednesday—I asked if I can meet him myself, as I have not yet had the chance to do that.

I understand that Andrew has extensive experience in research, development and implementation of advertising campaigns and previously served as the general manager of Marketing and Communications at Events South Australia. In regard to the Leader of the Opposition's question about salary—and this is advice, I think quite rightly, I am receiving—in keeping with established protocol, the salary will not be disclosed, but I am advised it is at the lower end of the re-advertised salary base, which did cause me a degree of surprise, and that is what I indicated would be the case last November.

The Hon. V.A. TARZIA: In respect of the Government Advertising and Insights Hub in Budget Paper 4, Volume 4, page 18, what safeguards are in place to ensure that this public advertising managed or overseen by the hub is not utilised for political advertising?

The Hon. P.B. MALINAUSKAS: There is a range of processes. There are audit processes that sit around that, and obviously it cannot. There are rules that have to be complied with that, to the best of my knowledge, we have not altered since we came to government—the same rules that the former government had.

The Hon. V.A. TARZIA: How is compliance with the public sector advertising guidelines monitored and who has that oversight of campaign content?

The Hon. P.B. MALINAUSKAS: They have to be approved through GCAC, which is the same process that the former government had.

The Hon. V.A. TARZIA: Why is DPC a better place than SAPOL to deliver critical road safety campaigns?

The Hon. P.B. MALINAUSKAS: The subject matter expertise is being retained in agencies; it is just the advertising effort and coordination that is being moved to the insights hub.

The Hon. V.A. TARZIA: How much has the taxpayer spent on government advertising this year?

The Hon. P.B. MALINAUSKAS: That is all publicly published. So far this financial year? Or do you mean is it budgeted in the next financial year?

The Hon. V.A. TARZIA: Both, if you have that at hand.

The Hon. P.B. MALINAUSKAS: If you google it you might find it.

The Hon. V.A. TARZIA: I prefer ChatGPT.

The Hon. P.B. MALINAUSKAS: 2023-24 was 39.7 and 2024-25 thus far is 27.6.

The Hon. V.A. TARZIA: Thank you.

The Hon. P.B. MALINAUSKAS: I am glad you asked me now: these numbers look very modest in comparison to a former government of another political persuasion where, for instance, the numbers were in the 40s.

The Hon. V.A. TARZIA: There was a lot of information to relay to the public during the COVID pandemic.

The Hon. P.B. MALINAUSKAS: Yes, that is right—as there always is.

The Hon. V.A. TARZIA: I think the public was very grateful for that.

The Hon. P.B. MALINAUSKAS: As there always is.

The Hon. V.A. TARZIA: Thank you, Premier.

The Hon. P.B. MALINAUSKAS: Like the Building What Matters campaign: was that related to COVID?

The Hon. V.A. TARZIA: How much did the government advertising campaign on bringing trains back into public hands cost the South Australian taxpayer?

The Hon. P.B. MALINAUSKAS: Lots of it was on our own trains, so I do not know how that gets accounted for. Are you talking about the signs that are on the trains?

The Hon. V.A. TARZIA: Yes.

The Hon. P.B. MALINAUSKAS: I am happy to follow that up; I do not have that—

The Hon. V.A. TARZIA: Are you able to provide maybe a breakdown per campaign to the parliament?

The Hon. P.B. MALINAUSKAS: This is one of the virtuous things: because the trains are now owned and operated by the people of South Australia again, it means that the advertising goes to us. This is obviously something that may have been very different had the trains been privatised, as was done.

If we tried to pull a stunt like what you did in privatising the trains, the PDU would have caught up on that because they would say, 'That's not consistent with an election commitment.' Obviously, now that we own and operate the trains, putting signage on the outside of them might have a cost of putting it up but it is not like we are paying someone else to have advertising on their trains. These are ours now.

The Hon. V.A. TARZIA: No, but it still comes at a cost. You will provide that cost?

The Hon. P.B. MALINAUSKAS: I honestly just do not have that at hand.

The Hon. V.A. TARZIA: In terms of public information activities in Budget Paper 4, Volume 4, page 18, the 2023-24 actual expenses for the program included \$1.2 million on public information activities. Is the Premier able to please outline what is the nature of these public information activities? What were they?

The Hon. P.B. MALINAUSKAS: Sorry, which page again?

The Hon. V.A. TARZIA: Page 18 of Budget Paper 4, Volume 4, 2023-24 actual expenses for the program included \$1.2 million on public information activities.

The Hon. P.B. MALINAUSKAS: I am happy to take that on notice.

The Hon. V.A. TARZIA: You do not know what they are—

The Hon. P.B. MALINAUSKAS: Off the top of my head, no.

The Hon. V.A. TARZIA: —between the army of people there?

The Hon. P.B. MALINAUSKAS: Hang on, let's see if we can. Does anyone know? I have advice. That is in respect to 2023-24. I am happy to take as much as we can and come back to you but, for instance, the equivalent things for this year are More Homes for South Australians—but this is in respect to 2024-25, so I do not know if it is helping you in regard to that particular budget line. It

is things like More Homes for South Australians, Building a Bigger Health System; these are the types of things that we are talking about. My advice here is in respect to 2024-25, but like I said, all the campaigns that we run publicly are accounted for and obviously seen publicly, because that is the whole idea.

The Hon. V.A. TARZIA: We will move on to Budget Paper 4, Volume 4, page 17. I want to talk a little bit about the North Adelaide Golf Course development, if we may, which I know is dear to your heart. How much is allocated in 2025-26 for the North Adelaide Golf Course works?

The Hon. P.B. MALINAUSKAS: The advice I have is that there is no money in DPC's budget for 2025-26. There is an allocation of funds within DTF that will be allocated as we get close to starting construction and so forth, but there is no money sitting within DPC for 2025-26.

The Hon. V.A. TARZIA: I am only mentioning it because it is within the Premier and Cabinet section. What is the total expected cost to the taxpayer?

The Hon. P.B. MALINAUSKAS: Like I said, there is a budget allocation that the Treasurer has made. Part of the challenge here is we do not yet know what the final cost will be of the design, although we have an indicative option for costings. Thus far, what we understand is it is going to be in line with what that is, but like I said, that is a question for the Treasurer.

The Hon. V.A. TARZIA: So it is a DTF thing.

The Hon. P.B. MALINAUSKAS: Because the money does not sit in DPC.

The Hon. V.A. TARZIA: I understand. Of the \$45 million, how much of this is permanent? That figure has been publicly provided, but how much of that is permanent capital costs, how much is temporary and how much is annual?

The Hon. P.B. MALINAUSKAS: Again, you would have to ask that question of—

The Hon. V.A. TARZIA: You do not have that information; okay.

The Hon. P.B. MALINAUSKAS: But the overwhelming majority of it, I can tell you, would be capital, because the ambition here and the goal is to make a capital investment in a way that then any operating costs will be funded through the operations of the course itself. At the moment, the Adelaide City Council is losing money on this, and it is budgeted to keep losing money. Someone highlighted to me the council budget papers just yesterday, and they have an operational loss at the moment principally because it is old and tired.

It is exactly the same challenge at the Aquatic Centre. The Aquatic Centre was costing the council money. They did all the work to analyse how they turn that around, and the way was having a new Aquatic Centre that would be cheaper to run and more efficient and productive. The problem was they did not have the capital to do it. This is the exact same challenge. This is something that we are very keen to keep reminding people: we do not see these assets belonging to the residents of the City of Adelaide. These are assets that belong to everybody.

We can ensure that is the case by the state government doing it, rather than the City Council. It is something that everybody should use. With the Aquatic Centre, for instance, a huge number of regional swimming carnivals for a range of kids and so forth will be able to get access to it. It is in the city, which means that like the rest of the city as far as we are concerned it belongs to everybody, not just ratepayers within the City of Adelaide, although they of course are an important part of the community as well.

The Hon. V.A. TARZIA: The paper does mention 'progress design and commence construction works' on page 17. Who has been appointed as the design team for the golf course, and how many members are there in the design team?

The Hon. P.B. MALINAUSKAS: We have already announced publicly that Greg Norman Golf Course Design is doing the design. They are not government employees; we are contracting someone else to do that. But there is also contracting to other people around heritage. I cannot say who or which companies, but there are architecture and heritage architects, Aboriginal heritage engagement, there is a separate company that has been engaged to look at the overlay to make

sure that the course design is going to be able to accommodate the event itself, there is urban planning, an ecologist, topographical surveying—so there is a bunch of people working on it.

The Hon. V.A. TARZIA: What was the process undertaken that led to the selection of Greg Norman's design, and why was there no public tender for this?

The Hon. P.B. MALINAUSKAS: My advice is that there are a range of procurement protocols that have to be gone through whenever a government engages with a service like that. My advice is that was complied with in the context of doing a direct engagement. Obviously we are talking about very discrete and specialist skills that are not just sitting around.

The Hon. V.A. TARZIA: There is only one Greg Norman. Is that what you are saying?

The Hon. P.B. MALINAUSKAS: That is obviously the case; there are not two. So cabinet made that appointment accordingly. One of the considerations from government is making sure that we have someone with the appropriate expertise and the reputation to deliver it to be able to achieve our objectives here, which is to have something that is genuinely world class. I do not think anyone seriously, to the best of my knowledge, and if the opposition wants to they can, but I do not think anyone would seek to diminish or take away the fact that Greg Norman Golf Course Design has a very accomplished record of delivery.

The Hon. V.A. TARZIA: So there was no public tender. Was there an unsolicited bid made?

The Hon. P.B. MALINAUSKAS: No.

The Hon. V.A. TARZIA: How much will Greg Norman or his company be paid for the design?

The Hon. P.B. MALINAUSKAS: My advice is that there are multiple stages to the work they undertake and that gets done iteratively. We are in the first stage because there is the design work and then there is the actual construction and delivery, and that is being dealt with, like I said, iteratively. Obviously the contract is subject to commercial-in-confidence arrangements, But needless to say, there has been a bit of effort within the department to make sure that there is appropriate analysis to make sure that we are not paying more than what we need to get what it is that we are getting.

The Hon. V.A. TARZIA: How many stages and how much will be paid at each stage?

The Hon. P.B. MALINAUSKAS: The first stage is the design stage and then you move into a construction phase. I think there are two main phases; I am not too sure if there is a commissioning phase.

The Hon. V.A. TARZIA: Who signs off on the stages and the payment of each stage?

The Hon. P.B. MALINAUSKAS: That is done through departmental procurement practices and there would be someone within the department who does that, presumably.

The Hon. V.A. TARZIA: Will there be any subsequent increase to fees as a result of the upgrade, and does the total cost allocated for the course cover the cost of replanting any trees that may need to be removed?

The Hon. P.B. MALINAUSKAS: My advice is that the construction phase cost will have to include the cost of replanting trees.

The Hon. V.A. TARZIA: Did you get advice on what was a fair price for the work, and who provided the advice?

The Hon. P.B. MALINAUSKAS: My advice is that it is part of that internal procurement exercise. There is a departmental exercise that does go through a verification function or purpose or role of ensuring that it is a fair price.

The Hon. V.A. TARZIA: Was there a probity officer for that procurement, and who was it?

The Hon. P.B. MALINAUSKAS: My advice is that for something of this size and scale, this type of project, that would not be ordinary practice. It does not meet the threshold where you would normally have someone specifically employed to do that. It is not like a hospital build or a major civil program.

The Hon. V.A. TARZIA: I move to business events, if I may. In Budget Paper 4, Volume 4, page 18, it says that in 2024-25 DPC incurred \$20.2 million in additional expenses for 'support for business events and initiatives'. Is the Premier able to outline what events and initiatives that was used for?

The Hon. P.B. MALINAUSKAS: The advice that I have here is that the lion's share of this sits with Adelaide Venue Management events, but not exclusively. Let's say there is a medical conference that travels around globally. They often have event providers who do that coordination and go around the world and shop them, so to speak, looking for bids. There is a function where we do our own analysis to work out what is worth it, who comes, how many people, what is the time of the year relative to other things going on in Adelaide, and so forth. Our objective here is to stimulate demand when we need it versus when we do not, so we are not going around trying to recruit business events when Gather Round is on.

Currently, Business Events Adelaide and the Adelaide Convention Centre have secured 196 events out to 2033—I said 2028 earlier—supported by the Business Events Bid Fund. The advice I have is that that has the potential to deliver an estimated \$950 million in economic benefit.

In addition, there are 100 unsecured events currently in development, with a potential to deliver an economic benefit of \$698 million. Historically, over the past six years, the Business Events Bids Fund has secured events that will deliver over \$1.28 billion in economic benefit.

This is something you have to be in the market to do. The Convention Centre and surrounds have the same challenge that Adelaide Oval has, it is a sunk economic cost unless you actually fill them. The objective you have to have is just to fill these things and have them busy as much as you can. Notwithstanding that the industrial arrangements at the Convention Centre provide a huge amount of flexibility to AVM to flex up and flex down, there is still a residual cost that sits there churning away if you do not have them occupied, so you have to be out in the market and bidding for them and that is what we seek to do here.

For instance, when we were in India we met with the Global International Student Conference which is made up not so much of students but the agents that facilitate international students. It happened to be on while we were in India and we took the time to meet with them, given that we are in the market to try to secure that event in the future as well, which is a massive one. So this is just an ongoing effort that we seek to do.

In terms of specifics, since you have asked your question I have asked if we can get a list of all those events. Obviously, AVM has a list of events they have hosted. That is a question put through to the minister responsible, Minister Bettison. In terms of the amount that we give each one we do not disclose because, as you will appreciate, it is one of these bidding war exercises and we try not to show our competitors our hand.

The Hon. V.A. TARZIA: From 2025-26 onwards, the budget looks like it includes a more modest \$2.6 million per year for Business Events Adelaide. Is the Premier able to outline what initiatives and support that funding will target?

The Hon. P.B. MALINAUSKAS: It is exactly what I have just described. My understanding is that they go and do the work on behalf of us. There is a specialist team in there and this is part of their operational funding.

The Hon. V.A. TARZIA: Let's move on to Lot Fourteen. In Budget Paper 4, Volume 4, page 18, there is mention of Lot Fourteen, tenancy support, Adelaide University agreement. The paper notes \$4.8 million spent in 2024-25 related to an agreement with Adelaide University regarding tenancy at Lot Fourteen with a matching \$4.8 million in income from Renewal SA. Is the Premier able to outline what the terms of the agreement are between the university and Lot Fourteen?

The Hon. P.B. MALINAUSKAS: Di Dixon runs Lot Fourteen. There is probably a more technical way of saying that: state lead for Lot Fourteen. We announced—I am just trying to recall exactly when we did that—with the feds and also the university the establishment of the Australian Defence Technologies Academy at Lot Fourteen, which is a collaboration between state government, federal government, the university, and also the DSTG. We were there with Tanya Monro when we announced it.

What we have sought to do as a government, and more recently to be able to get some runs on the board—obviously space is at Lot Fourteen; the former Labor government put the Australian Institute for Machine Learning down at Lot Fourteen—is get a defence presence down at Lot Fourteen, because obviously everything that is happening with the defence industry is at that cutting edge and invites a huge amount of private sector capital investment.

Having space, defence, AIML—and then all of the other private sector start-ups in the ecosystem down at Lot Fourteen—we thought defence having a presence made sense, particularly with the amalgamation of the university next door and what have you, hence the establishment of the academy. An amount of \$4.75 million from the state government was committed to the University of Adelaide to support the presence of Lot Fourteen, but in actual fact—and I have just learnt something—part of that was actually consistent with the commitment that the former government made around Glenthorne Farm.

Correct me if I have this wrong, but part of the sale agreement between the university and the South Australian government over Glenthorne Farm in turn had us making a commitment to a future allocation, and that allocation commitment was sitting within Renewal. When the current state government obviously was trying to do the defence initiative, and the academy, the funds got transferred out of Renewal to DPC in order to facilitate this. That is the advice I have received.

The Hon. V.A. TARZIA: On that note, how many tenants are currently at Lot Fourteen?

The Hon. P.B. MALINAUSKAS: There are 700 people, 160 companies.

The Hon. V.A. TARZIA: How many tenants have left Lot Fourteen in the last three years?

The Hon. P.B. MALINAUSKAS: I will have to take that on notice.

The Hon. V.A. TARZIA: What are the vacancy rates like at the moment? What measures is the government implementing to increase tenancy there at Lot Fourteen?

The Hon. P.B. MALINAUSKAS: As of 30 March this year, a few weeks ago, it had an occupancy rate of over 94 per cent.

The Hon. V.A. TARZIA: I refer to Budget Paper 4, Volume 4, page 18, the corporate expenses realignment.

The Hon. P.B. MALINAUSKAS: Variations to the allocation of corporate expenses resulting from machinery of government changes?

The Hon. V.A. TARZIA: That is the one. Is the Premier or his team able to explain what is meant by machinery of government changes, and what was the \$11.5 million spent on?

The Hon. P.B. MALINAUSKAS: This goes to the machinery of government movements that we see within government, so maybe if I just read what this advice says so I can make sure I get it right. The decrease in corporate—and this is a decrease, so this is a small amount in 2024-25 versus 2025-26. The decrease in corporate overheads in the 2025-26 budget compared to the 2024-25 estimated result primarily reflects machinery of government changes for the Office of the Chief Information Officer—who has gone to DTF—digital programs, and data and analytics, which has also gone to DTF, and a population strategy transferring to DSD as well last year. Last year, the Chief Information Officer, digital programs and data analytics we transferred out to DTF, and population strategy we transferred to the Department of State Development.

The Hon. V.A. TARZIA: Let's go to Budget Paper 4, Volume 4, page 12, ministerial office resources, 46 FTE. Of the 46 FTE allocated to the Premier's office, how many of these staff are media advisers and how many of them are social media advisers?

The Hon. P.B. MALINAUSKAS: This is all gazetted. All ministerial staff and their salary allocations are gazetted. That will be in there. I am happy to get that for you, but you have all that.

The Hon. V.A. TARZIA: The reason why we ask is, from memory, it only gets published about once a year and it can change throughout.

The Hon. P.B. MALINAUSKAS: Yes, that is true. If there has been a change, it would be at the margins. Ultimately those contracts are with me. I would delegate the contract provision to my

chief of staff in many respects. Eight are in the media monitoring unit, but that is different to a media adviser, as you would well appreciate. The breakdown of the 38 in my office is what you are after, but my office does not obviously have 38 because a significant proportion that are media advisers get allocated to individual minister's offices.

The Hon. V.A. TARZIA: Let's move to Budget Paper 4, Volume 4, page 44, Motor Sport Board.

The Hon. P.B. MALINAUSKAS: I will just invite Mark Warren, who you would know as the CEO of the Motor Sport Board. You asked a question before that someone in the team has come back with information for me regarding the \$1.2 million in public information campaigns line. That includes mobile phones in schools and three-year-old preschool.

The Hon. V.A. TARZIA: Okay, thank you. The Adelaide 500 sponsorship—now it is called the final—is in Budget Paper 4, Volume 4, page 44. Can the Premier outline if the government will recoup the moneys owed by VAILO for their previous involvement in the Adelaide 500, and what part of the event was the money owed attributed to? Was it sponsorship costs? Was it hospitality suites? Which was it?

The Hon. P.B. MALINAUSKAS: The advice I have received is that there was a multiyear naming rights agreement in place with VAILO for 2022 to 2024. The three-year naming rights partnership expired at the conclusion of the 2024 event, last year's event. VAILO were also responsible for the supply and installation of Super Screens for the event under a separate agreement, and that also concluded at the 2024 event. Following the necessary review of the event and reconciliation, including an assessment of services provided, which concluded recently, I am advised there are now no outstanding amounts to be paid by VAILO.

The Hon. V.A. TARZIA: I refer to Budget Paper 4, Volume 4, page 44. In terms of budget versus actual, the SA Motor Sport Board support is budgeted at \$25.422 million in 2025-26, yet it was \$30.83 million in 2024-25. Why has the budget decreased for the next financial year?

The Hon. P.B. MALINAUSKAS: Good question. You might remember that we made a commitment following the first one that we were going to get shade on the pit straight grandstand for everybody in the crowd. There was a one-off cost in the 2024-25 year for the chicane grandstand, which was also shade. These are the costs associated with the former government selling off things.

When we got elected and had to reverse your selling off of the Adelaide 500 decision, I think the pit straight building was subject to a cooling off period or something to that effect. The building had been sold and we were able to intervene quickly to stop that sell-off, which allowed us to keep that, and thank goodness because that would be a very expensive thing to replace. But there was some stuff that we could not intervene on as a result of the former government's abolition of the Adelaide 500 and the attempt to sell everything off to stop us from being able to reinstate it in the event that we were re-elected.

Part of that meant one-off costs were still coming through, including in that year around the shade, but it also included electoral compliance works, along with other overall funding. They have had to transfer money to DPC because of the Government Advertising and Insights Hub, so hopefully the ads are better this year. That is the difference.

The Hon. V.A. TARZIA: For the most recent Adelaide 500, roughly what proportion of the total cost was covered by event revenue, and is the board on track to improve this cost recovery ratio over time?

The Hon. P.B. MALINAUSKAS: My advice is that we have now got it back to a position where more than half of the cost of the event is recovered through ticket sales, sponsorship and corporate hospitality. Since we brought it back it has been trending up, which is what we want to continue, obviously. We have got a bit of hope that, with the Grand Final, that will grow again. Time will tell, because the Grand Final is a whole new concept for the format, but the advice that I have been receiving, and which certainly formed part of the negotiations that I have recently been having with Supercars, is that there is more than a hope, there is an ambition, that the change in that format will see that percentage continue to increase, which is the whole idea.

The Hon. V.A. TARZIA: And Lenny as well this year.

The Hon. P.B. MALINAUSKAS: Well, hopefully.

The Hon. V.A. TARZIA: I will hand over to the member for Chaffey.

Mr WHETSTONE: I will read out the omnibus questions:

1. For each department and agency reporting to the minister, how many executive appointments have been made since 1 July 2024 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 2024 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 2024?

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 2024, 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 2025-26 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 or agency reporting to the minister, how many surplus employees are there in June 2025, and for each surplus employee, what is the title or classification of the position and the total annual employment cost?

7. 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?

8. For each department and agency reporting to the minister, what savings targets have been set for 2025-26 and each year of the forward estimates, and what is the estimated FTE impact of these measures?

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

- (a) What was the actual FTE count at June 2025 and what is the projected actual FTE account for the end of each year of the forward estimates?
- (b) What is the budgeted total employment cost for each year of the forward estimates?
- (c) 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?

10. For each department and agency reporting to the minister, how much is budgeted to be spent on goods and services for 2025-26 and for each year of the forward estimates?

11. For each department and agency reporting to the minister, how many FTEs are budgeted to provide communication and promotion activities in 2025-26 and each year of the forward estimates and what is their estimated employment cost?

12. 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 2025-26?

13. 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 2024 and budgeted expenditure for 2025-26, 2026-27 and 2027-28.

14. For each grant program or fund the minister is responsible for, please provide the following information for the 2025-26, 2026-27 and 2027-28 financial years:

- (a) Name of the program or fund;
- (b) The purpose of the program or fund;
- (c) Budgeted payments into the program or fund;
- (d) Budgeted expenditure from the program or fund; and
- (e) Details, including the value and beneficiary, or any commitments already made to be funded from the program or fund.

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

- (a) Is the agency confident that you will meet your expenditure targets in 2025-26? Have any budget decisions been made between the delivery of the budget on 5 June 2025 and today that might impact on the numbers presented in the budget papers which we are examining today?
- (b) Are you expecting any reallocations across your agencies' budget lines during 2025-26; if so, what is the nature of the reallocation?

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

- (a) What South Australian businesses will be used in procurement for your agencies in 2025-26?
- (b) What percentage of total procurement spend for your agencies does this represent?
- (c) How does this compare to last year?

17. 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?

18. How many procurements have been undertaken by the department this FY. How many have been awarded to interstate businesses? How many of those were signed off by the CE?

19. 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?

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

The CHAIR: The allotted time having expired, I declare the examination of the proposed payments for the State Governor's Establishment and the Auditor-General's Department closed. The examination of the proposed payments for the Department of the Premier and Cabinet and Administrative Items for the Department of the Premier and Cabinet are referred to Estimates Committee B. I thank the Premier and his advisers and members of the opposition for their civil discussion.

Sitting suspended from 11:05 to 11:15.

DEPARTMENT OF STATE DEVELOPMENT, \$479,748,000

ADMINISTERED ITEMS FOR THE DEPARTMENT OF STATE DEVELOPMENT, \$23,810,000

Membership:

Mr Cowdrey substituted for Hon. V.A. Tarzia.

Mr Basham substituted for Mr Patterson.

Minister:

Hon. S.E. Close, Deputy Premier, Minister for Climate, Environment and Water, Minister for Industry, Innovation and Science, Minister for Workforce and Population Strategy.

Departmental Advisers:

Mr A. Reid, Chief Executive, Department of State Development.

Mr A. Dunbar, Executive Director, Industry, Innovation and Small Business, Department of State Development.

Mr C. Markwick, Executive Director, Workforce, Population and Migration, Department of State Development.

Ms D. Tembak, Executive Director, Portfolio Delivery, Department of State Development.

Ms K. Hunt, Director, Higher and International Education, Department of State Development.

Ms L. Newstead, Director, Population Strategy and Migration, Department of State Development.

Mr M. Smith, Director, Finance and Investment Services, Department of State Development.

The CHAIR: Welcome back to today's estimates committee hearing. I understand that the minister and the lead speaker for the opposition have agreed on an approximate time for the consideration of the proposed payments, which will facilitate a change of departmental advisers. Can the minister and lead speaker for the opposition just confirm that is the case?

The Hon. S.E. CLOSE: Yes.

Mr WHETSTONE: Yes.

The CHAIR: I remind members that 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. Briefly, I also advise that 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 5 September 2025. Members unable to complete their questions may submit them as questions on notice for inclusion in the assembly *Notice Paper*.

The rules of debate in the house apply in the committee. Ministers and members may not table documents before the committee but may supply them to the Chair for distribution. I will allow both the minister and the lead speaker for the opposition to make opening statements of up to 10 minutes, should they wish to do so. I now proceed to open the following lines: the Department of State Development and higher education. The minister is the Minister for Industry, Innovation and Science and Minister for Workforce and Population Strategy. Minister, the floor is yours.

The Hon. S.E. CLOSE: Thank you, Chair. I will not be making an opening statement other than, as is my habit, to thank all of the public servants who work within the Department of State Development. They are exceptional to a person, and I am very grateful to be working with them.

I will introduce the people I am with. On my right is Andrew Dunbar, Executive Director, Industry, Innovation and Small Business. To my left is Adam Reid, who is the Chief Executive, and to his left is Callan Markwick, Executive Director, Workforce, Population and Migration. Behind me, I have Louisa Newstead, Director, Population Strategy and Migration and Diana Tembak, Executive

Director, Portfolio Delivery. Behind them are Karen Hunt, Director, Higher and International Education and Martin Smith, Director, Finance and Investment Services.

Mr WHETSTONE: I have no opening statement but to thank the minister and her staff for the copious notes that go into these estimates; it really does beggar belief. To kick it off, I refer to Budget Paper 3, page 23, table 2.6, operating expenses. In the previous budget, the Department for Industry, Innovation and Science had a budget of \$68 million for 2024-25. How was the 2024-25 estimated result calculated for the new Department of State Development?

The Hon. S.E. CLOSE: Essentially this new version reflects the machinery of government changes with bringing in skills, investment and trade, and also some population from DPC. If you have any specific questions about elements of those, I am happy to turn to one of my advisers.

Mr WHETSTONE: Alright, a specific question would be: why are the departments operating expenses? Why have they been cut by \$85 million in this year's budget?

The Hon. S.E. CLOSE: That is a feature of the reduction of time-limited programs or the coming to an end of time-limited programs. There might be some new time-limited programs that come into the agency, of course, over time, but that is why we have budgeted it that way. Some examples of those would be that there was support provided in 2024-25 for the Whyalla Emergency Response Package to support the Whyalla community through the Whyalla Business Creditor Assistance Scheme and the Small Local Business Support Grants program. There was also support to small business and not-for-profit organisations through 2024-25 for the Energy Efficiency Grants provided in round 2 of the Business Growth Fund. The Business Growth Fund was previously known as the Economic Development Fund.

There was also some time-limited funding through the Skilling Australians Fund and JobTrainer initiative and time-limited fee-free TAFE funding, including the construction and technology fund. As I say, as decisions are made over time, it may well be that others come back in and the final result is not as we estimate, but we have accounted for the end of programs that we know are coming to an end.

Mr WHETSTONE: Over the page, and just on the back of the operating expenses that are projected to decrease by \$171.8 million over the forward estimates, you have explained the Whyalla Steelworks support package and the Business Growth Fund. Are there any other programs scheduled to stop operating within that time?

The Hon. S.E. CLOSE: I will give some examples of some programs that are scheduled to come to an end. There is The Alternative graduate program. There are some small business programs that will come to an end. There are defence workforce programs that are scheduled to end. But, as I say, there will be others that will come in as decisions are made.

Mr WHETSTONE: Of those programs that are scheduled to end, are there any programs that will be extended?

The Hon. S.E. CLOSE: Not in the budget at present. That is why it is being reflected that way. It is just that I notice how we make decisions: events come up, we are allocated funds and we expend them. What we will tend to do is, as a program comes to an end, we will evaluate it to see whether it was worthwhile and then if we think it is something that is worth prolonging, we will put in an application through the budget process.

Mr WHETSTONE: I move on to Budget Paper 4, Volume 4, page 79, ministerial office resources. Minister, are you granted ministerial office resources in your capacity as Minister for Industry, Innovation and Science or as Deputy Premier?

The Hon. S.E. CLOSE: The Department for Environment and Water is actually my funding agency for my ministerial and Deputy Premier responsibilities, so it may be that they have a more particular—I am not aware of the distinction between being minister and deputy, but perhaps we can ask that question when they are here.

Mr WHETSTONE: Under workforce summary, given that DSD is in a merger with four portfolios, why is the workforce projected to shrink by 15.3 FTEs from 2023-24, and is the department struggling to maintain its management across such a broad scope?

The Hon. S.E. CLOSE: There is a combination of reasons: one is that for some of the time-limited programs, there are FTEs attached to those; the other is that as a bigger agency, when we have brought in other departments we have not necessarily taken all of their corporate overheads that were attached to the original host department, so we have not needed to take all of that from the other agency.

Mr WHETSTONE: Why is the department cutting a further 17 FTEs in this year's budget compared to last year's estimated result?

The Hon. S.E. CLOSE: The decrease of 17.1 FTE from the 2024-25 estimated result to the state budget amount comprises a decrease of 3.8 FTE relating to the population growth strategy and The Alternative graduate program ending, so they were time-limited programs that came over; a decrease of 2.6 FTE through the Whyalla support package for grant administration; a decrease of 2 FTE for grant funding relating to the Energy Efficiency Grants to support small business and not-for-profit organisations through round 2 of the Business Growth Fund; and a decrease of 1 FTE due to funding for the wine export recovery program ending in 2024-25. There is also a net reduction in term-funded roles in 2025-26 of 6.7 FTE. It is, in some ways, all the same answer in different ways: that there are programs that come to an end.

Mr WHETSTONE: I understand. Moving on to Budget Paper 4, Volume 4, page 80, under program net cost of services, the Industry, Innovation and Science program has overspent its service budget by nearly \$1 million. Can you give me an understanding of what the \$1 million blowout was?

The Hon. S.E. CLOSE: Under the defence workforce plan we proposed a Degree Apprenticeship Pilot program and the commonwealth provided an additional \$1 million dollars for that and so we have a million dollars extra of income and a million dollars extra of expenditure due to that program.

Mr WHETSTONE: This year's budget increases the program services cost by \$2.5 million. What is that increase going towards?

The Hon. S.E. CLOSE: That is in fact a reduction in income, coming from the end of the Degree Apprenticeship Pilot. So the million that came in is for the next year. The other relates to the Population Growth Strategy that came over from the Department of the Premier and Cabinet coming to an end as well, so it is just a drop in the income.

Mr WHETSTONE: As of this year's budget, the Industry, Innovation and Science program will have increased its cost of services by over \$15 million. Has the program undertaken additional services or has the cost of the current services increased?

The Hon. S.E. CLOSE: That is largely explained by an increase of some \$19 million in grants and subsidies, of which \$10 million a year is the money going through to Adelaide University for attracting international students. There is also some additional expenditure under the Research and Innovation Fund due to the timing of the commitments that we are making and some additional expenditure in the Degree Apprenticeship and Defence Industry Connection programs which are funded. There are both carryover and also additional expenditure funded by the commonwealth government in 2024-25.

Mr WHETSTONE: Under outputs, what industry policies and programs are planned and what is the timeline for each of them?

The Hon. S.E. CLOSE: There are a number of examples. I am just working out the best way to answer the question so that you can choose what you would like to explore more. One is the advanced manufacturing strategy, another is the defence supply chain uplift work that we were talking about in parliament a couple of weeks ago, where we have the partnership with Huntington Ingalls on assisting our defence supply chain to gain accreditation to supply into the American Virginia class manufacture. We have put in an additional \$5 million, I think it is, over the next two years for that. So there are a number of examples of work, but there might be a particular area that you are more interested in—this is cyber work.

Mr WHETSTONE: Minister, what evaluation process do you use to ensure that the goals of these programs and policies will be met?

The Hon. S.E. CLOSE: The way in which we ensure that we evaluate appropriately will vary. Obviously, when we have grants there are KPIs embedded in those agreements and the organisation that receives the grant is required to acquit their funding against those KPIs, but every so often we will also bring someone in to do a more thorough investigation of whether our approach is fit for purpose in serving the state. For example, we used Göran Roos recently to go through the Research Innovation Fund (RIF), to look at all of it and see if the settings were right for where we are now in the economy. That is a more root and branch, 'Is this the right approach that we have?' as opposed to the individual grants, where we will measure against the agreement that was entered into and the KPIs that were expected to be attained.

Mr WHETSTONE: Has the government increased its collaboration with science and research this financial year and, if so, what are the organisations?

The Hon. S.E. CLOSE: While we have a quick look at that, can I correct something. I should never imagine that I remember things without double-checking with people. I said that there was about \$5 million over the next two years for the defence supply uplift—it's actually \$3.3 million, just to correct the record immediately.

In addition to the collaboration that we have with the CSIRO, with the NCRIS facilities, we also have 10 CRCs that we are collaborating on. There is the SMART CRC; Additive Manufacturing; SAAFE; One Basin; Marine Bioproducts; HILT, which is the Heavy Industry Low-carbon Transition CRC; the Reliable Affordable Clean Energy for 2030 CRC; SmartSat CRC; Future Battery Industries; and Fight Food Waste CRC. There are 10 that we are actively engaged in. The numbers of individual research partnerships will vary year by year, and we always do our best to estimate in advance what they are likely to be, but it is a reasonably steady state.

Mr WHETSTONE: Minister, will the government commit to collaborating with more organisations in regional South Australia to improve the gaps in STEM and the regional retention?

The Hon. S.E. CLOSE: We are always open to collaborating with good research programs that will have a benefit for South Australia. There are research efforts that are done through PIRSA that, as you would well be aware, are regionally located. I would like to highlight though that the new university's commitment to retaining regional presence—and, if anything, expanding—is very important. The idea that students and researchers can be geographically around South Australia and yet have access to the high-quality infrastructure that the university has in its possession will be very useful, and we will be open to seeing whether there are ways in which we can aid that. Obviously, the really big research support, the commitment that we made to the new university to assist it in getting off the ground, will assist that.

Mr WHETSTONE: With the expenditure summary, has the state workforce planning project been completed?

The Hon. S.E. CLOSE: The workforce planning is an ongoing and evolving effort. Workforce has always been part of industry policy, of course. It is an element of how industry works, that you have the appropriately trained and available workforce. It has become a more acute and high priority area as we have all seen a skills shortage in particular areas, and also as we are facing this demographic shift of the number of people who are retiring and also going into aged care, which is really transforming the available workforce proportion of our population. Recognising that those challenges are not going to go away, we have increased our effort to do thoughtful workforce planning, hence the addition of the title, and also greater effort within the department.

Some of that workforce planning has occurred specific to individual industries, whether that be defence or health, of course working significantly with the relevant agencies. Some of it has been regionally located, so looking at what workforce planning looks like in the Upper Spencer Gulf, which is in fact a moving feast as we see conditions change there. All of that workforce planning is essentially getting the baseline data of understanding what the requirements are in individual qualifications—also experience, because obviously you do not have an entire industry stocked with apprentices; you need to have people at different levels in their career—and when they will likely be required. Having determined that, we are then looking at the various instruments that the state has available to it to intervene, to be better prepared.

The three big instruments are, first of all and most importantly, that we have our education system lined up in the right way so that we are educating from a young age and training people into the professions that will have employment waiting for them. Alongside that is the role that skilled migration plays in bringing people in to fill gaps, and doing that in a strategic and thoughtful way. There is also the one that we do not talk about so much, which is working smarter, the way in which we can ensure that we are integrating the latest technology and the most efficient approach so that we are not overly reliant on finding workers who are not available to do the work but are able to do as much as possible using that application of technology.

Having those three approaches, what the workforce planning then does is to say, 'What interventions are there at different times?' If you think chronologically in a worker's life, are we lining up early childhood well enough? Are the schools preparing people in the right ways? Are vocational training and university education appropriately funded and directed? But also how do we direct and support people who might be shifting careers so that they have allied skills? Would they be able to work easily in that particular area, such as in defence, and where do we bring in the skilled migrants?

That is the guts of what a workforce plan looks like. The intention is not that we have a workforce plan or strategy for South Australia and there it is, now everything will be fine. It is more that dynamic, constant interaction of determining whether we are aware of what is required and are we advising on the right interventions, many of which are in this department, but not all.

Mr WHETSTONE: Minister, can you please clarify what the \$676,000 in an annual investing program is?

The Hon. S.E. CLOSE: The investing, or what is often otherwise known as capital investment, by this department is in fact in IT infrastructure. There is some associated with Tauondi as part of the skills portfolio, but mostly it is digital infrastructure upgrades and refresh of IT equipment. That is the way to describe it. It is not a significant amount but it is necessary. Sorry, the other one I was looking for was the workforce planning platform that gives us the capability to really crunch the numbers of what is anticipated and when, rather than taking an Excel spreadsheet—a magnificent application though it is—and stretching it beyond its limits.

Mr WHETSTONE: On page 82, under highlights, how many South Australian suppliers were successfully contracted through the ICNSA introductions in 2024-25, and what was the estimated value of those contracts?

The Hon. S.E. CLOSE: As at 30 May 2025, so the 2024-25 year until 30 May, ICNSA facilitated \$151.9 million in contracts in South Australian suppliers across defence, mining, infrastructure, construction and energy sectors for 87 work packages awarded to 67 companies.

Mr WHETSTONE: Are any suppliers still contracted in relation to the hydrogen energy and, if so, when are their contracts expected to end?

The Hon. S.E. CLOSE: I am not certain as to the level of detail that we hold, but I will take it on notice and provide anything that we have on that.

Mr COWDREY: I turn to Budget Paper 4, Volume 4, page 84, particularly the dot point in regard to the university merger and the \$10 million allocation. In the Budget and Finance Committee earlier in the year, evidence was provided by the two universities in regard to the use of that money. In particular, they were happy to talk about the categories of spend but not necessarily the quantum of money that was provided. Are you able to outline for the committee the process that is involved? As I understand it, the department is in some way looking over and acquitting those funds, but can you give us an idea of what exactly that process entails?

The Hon. S.E. CLOSE: Our role is to manage the contract for the \$10 million a year for three years for supporting the attraction of international students. Obviously part of the business case proposition for the new university in its early days was to make sure that it did not go backwards in the esteem in which the existing two universities are held by international students and therefore that they did not lose market share.

Pleasingly, you may have heard the news today that they have just been listed, or recognised as 82nd in the world rankings for next year for the new university, and it is very pleasing to continue

to have a top 100 university. There was some uncertainty about whether, in its initial bringing together of the existing two, they would be able to sustain that level. It was certainly an ambition to get there, but the fact is that they have been able to convince the rankers already that that is the case. I mention that in this context, because international students pay a lot of attention to the rankings and they are important.

The contract that we manage requires the new university to develop an annual activity plan, which includes a budget and marketing and engagement plan and they need to acquit that each year with us. The annual report for the first funding period has been received. They expended \$9.9 million of the grant, which means that there will be \$100,000 that will be rolled over into funding period two.

The first tranche of funding was used to support the costs and development and delivery of the international brand and marketing campaign in priority markets. There were seven offshore launch events across India, Vietnam, Malaysia, Hong Kong and China. There were three launch events for onshore international education agents in Adelaide, Melbourne and Sydney. There was also the development of marketing collateral for international markets, social media content undertaking market insights and testing, and also delivering training to international education agents in order to make sure that they understand well what it is that they are selling or connecting people to in the new university. All of that work has been undertaken and we have received that report.

Mr COWDREY: So no local advertising was paid for with the \$10 million?

The Hon. S.E. CLOSE: No. That is right.

Mr COWDREY: So the advertising on trains and trams, none of that work was paid for by the South Australian government?

The Hon. S.E. CLOSE: That is not what this grant line is for; it is for international students. Of course, it is the same branding so it might be difficult to disentangle some of the detail, but this was explicitly for the kind of effort that I have just described. We would not have paid for logos on buses in South Australia.

Mr COWDREY: Or billboards—

The Hon. S.E. CLOSE: As an example.

Mr COWDREY: —or any other advertising?

The Hon. S.E. CLOSE: Exactly. That is not what this was for; this was for international student marketing.

Mr COWDREY: And you are certain of that: not a single cent of the money that has been provided has been spent on advertising in local markets on billboards, on trams or on any local advertising?

The Hon. S.E. CLOSE: Their acquittal does not suggest that that has occurred.

Mr COWDREY: I take you to Budget Paper 4, Volume 4, highlights: again in the same vein talking about the university merger. The government has appointed an independent adviser, Professor Emeritus Ian O'Connor AC, with the creation of the new university. To this point, it has not been publicly clear what his role entails, the level of commitment and the work that is being undertaken. Are you able to please provide an understanding to the committee of what is entailed?

The Hon. S.E. CLOSE: I would like to take this opportunity to thank Professor O'Connor for the work that he has put in for us. It is quite a commitment, because he is coming over here frequently, and the fact that he enjoys such a strong reputation across the higher education sector and enjoys good relations through the universities in South Australia is absolutely essential in his role. We went through a procurement process to appoint him. He was one of the people who was identified as being appropriate and he was the first choice for us.

There was a total budget allocation of \$500,000 for that consultancy to occur. The fee that has been paid from April 2024 to April 2025 has been about \$174,000. He provides independent advice to the South Australian government on the progress of implementation, measurement and achievement of the proposed economic benefits, possible impacts on staff and, crucially, risk

management measures. He meets monthly with key university staff, with our staff and with myself. He also occasionally meets with the Premier.

The risk management measures are of most importance to us. Although the university is an independent organisation, we are nonetheless not only providing a significant amount of money that will have its own acquittal processes but also needing, as a state, to see this new university work. We need it to succeed. Having someone working closely on looking at the ways in which the transition is being managed and identifying risks and discussing them has been very important.

Professor O'Connor had long tenure as Vice Chancellor and President of Griffith University. He was also the President of the Academic Board at the University of Queensland and has been Chair of the Higher Education Standards Panel and Deputy Chair of Trade and Investment Queensland. As I say, he is very well known across the higher education sector—and not only known as a very good academic and an excellent academic leader and administrator but also known as a really decent person. It was important to us that we have someone who is well respected and whose personality would mean that we would have decent, respectful but knowledgeable conversations. I have been very pleased with the work that he has done.

Mr COWDREY: In your answer, you mentioned that he is preparing reports around the achievement of the economic benefit that is expected from the university. Are those reports being released publicly?

The Hon. S.E. CLOSE: It is not that he is preparing reports, it is that that is one of the factors that he is keeping an eye on as part of his discussions and his advice to us.

Mr COWDREY: Are any formal documents being prepared?

The Hon. S.E. CLOSE: No, he is not providing written documents. He is providing advice and guidance.

Mr COWDREY: So he is providing verbal updates. He is not preparing any modelling; he is not preparing any documentation for you at all? All advice is being provided verbally to the government?

The Hon. S.E. CLOSE: Yes, I believe so. Certainly, my experience has been that it has been verbal. When I say it is important that we understand the economic benefits, they will largely be realised over time. That is one of the factors that is important for him to appreciate, why we are so invested in making sure that this new university stands up well and, of course, why I am so pleased it is already in the top 100 and has been listed in the Group of Eight, which is absolutely essential. That is one of the factors that he pays attention to, but that is one that we are much more likely to see evolve over time rather than one that is a clear and present issue for him. Once the new university is in place, we will no longer need to have him in that role.

Mr COWDREY: How does the government ascertain the value of the advice that is being provided by Professor O'Connor if there is no recording of the advice that is being provided, if there are no formal documents or reports that are being prepared or any minutes being taken of the advice that is being provided?

The Hon. S.E. CLOSE: I am not sure that putting something in writing is necessarily a measure of the quality of the advice. What is important is that we have someone. As excellent and well credentialed and experienced as the department staff are with universities—and I would like to single out Karen Hunt for the role that she has played—nonetheless, the way that universities work is very complex and quite individual. There are no other organisations that are similar to universities.

So although we have very good staff who are operating both from Treasury and from DSD in connecting with the university, it seemed to us that an extra layer of someone who really understands how universities need to operate and the risks that they run in changing anything—and of course, much is being changed in the creation of the new university—would be well placed to sit alongside and have the conversations at a level of complexity that we might otherwise miss. He has performed that.

I recently was part of a conversation between the vice-chancellors and the federal minister, and they just dropped in that context how useful they had found it to have him raising questions and

approaches that might be useful. It is one of those highly specific roles that you would not easily see replicated in any other government action, partly on the basis that they are an independent organisation but doing something of such enormous significance to the economic future of the state.

We had allocated funding initially for a commissioner, because the initial plan had been that, rather than imposing a merger on two universities despite our firm view that one would be of benefit to the state, we would have a commissioner who would interrogate the question of what the higher education landscape might best look like in South Australia. Having initiated the idea on coming into government and signalled very strongly our interest in seeing something happen in higher education as a very significant micro-economic reform piece, we then had, as was not completely unanticipated, two of the universities signalling that they wished to form a new university.

We therefore did not need a commissioner, but we had a budget allocation. Ian had been, in my mind, a stand-out possibility to be the commissioner because of his very well-respected position in the world of higher education. It seemed to me that we would be well served by having someone of his calibre simply adding a level of scrutiny, question and guidance, and that has been my experience.

Mr COWDREY: Minister, with all due respect, how does the department itself capture and record the risk? You have just said that they do not, that there is no documentation that is recorded through any of the meetings or any reports provided by Professor O'Connor.

There appears to be a pattern emerging with major projects in our state. We had an Auditor-General's report handed down yesterday in this chamber in regard to the proton therapy debacle, as I think we can call it now, where the Auditor-General outlined that the cross-government working group in regard to that particular project had not met for three years nor had minutes been recorded because there were no meetings.

This is a project of state significance. You have what you have described as an eminent individual who has significant experience across the university sector. Your evidence to the committee today is that you are paying this person a significant amount of money, which I think is justified given his credentials. But your evidence to the committee is that he is identifying risks but they are not being recorded, he is identifying recommendations but they are not being recorded. How is that a sensible approach for a government bureaucracy to identify these things, to have them highlighted but then not be recording them anywhere, actioning them anywhere?

The Hon. S.E. CLOSE: I understand the direction of the questions, but I think it is probably coming from not recognising fully the way in which the creation of the new university is being risk-managed by the new university.

There is a significant effort being put in by the Transition Council and the two vice-chancellors in documenting and addressing everything that they are doing. That is being done exhaustively and diligently. We, on the other hand, as a government, have identified some funding that we have committed to providing, and the requirements of how that funding is expended and the acquittal of that is all documented.

This is separate to those processes and is not necessary or part of the governance structure. Those exist and are being diligently applied. It is an addition of having someone who can come in every so often and check in and have the conversations with those people who are involved, including the Chancellor of the Transition Council, including the two vice-chancellors and then myself, to just provide an extra layer of suggestion. It is not a governance instrument in the same way that an acquittal of a grant is, which is being done, nor a change management program, which is being done extensively, nor indeed any kind of investment that might be being made; for example, in reference to the proton therapy unit. It is not of the same nature, because those are being acquitted and those are being done and documented in the way that would be expected.

This is an additional person who can help bring to light some issues. Now I say that; there has not been any significant risk that has been identified either through that process or I believe through the university's processes. There is simply a constant management of making sure that everyone is aware of what could happen and that there are contingency measures in place.

Obviously the most complex, in some ways, of the creation of the university is IT because IT always seems to be immensely complex no matter who is doing it. Having conversations about ways in which that is being managed, understanding that there are contingencies in place should new systems not be ready is just an additional layer. It is like if I were having conversations with people all day and somehow that they become different if I am annotating them and producing a report. It is not necessary because all of that diligent infrastructure exists. It is just an extra layer that we have decided would add value.

Mr COWDREY: I do not doubt the minister's capability to recall facts, but I do often find it more helpful if I write something down and then I can refer to it later and have a chronological understanding of the recommendations that were made, the risks that were raised, to then look back on.

In terms of the engagement itself, again, while the minister has tried to say that there is a clear contrast between the two projects—the proton therapy and the Adelaide University merger—one could easily argue that the projects and the outcomes are both significant. In the proton therapy case, it was an external party that was the contract provider through SAHMRI, as opposed to the government directly engaging.

Again, I do not wish to linger on this issue, but I do think that it is reasonably important both in the broader context of risks that have been identified and the recommendations that have been made. Has Professor O'Connor provided any recommendations to you as minister, and if he has done so, has that been done verbally or in writing?

The Hon. S.E. CLOSE: We have not asked him to produce recommendations; what we have asked for is his insight. We have conversations about what he is seeing and the nature of the issues that are currently occurring with the creation of the new university. He is offering his insight as much to the chancellor and the two vice-chancellors as he is to me.

It is simply an additional, very experienced brain saying, 'Have you thought about this? What's happening with that?' and then coming to me and saying, 'They are addressing the transition of the staff onto the new payroll; this is their approach to making sure that everyone gives their tax file number'—because one employer cannot take the tax file number of all their people and give it to a new employer, which meant this little complexity of having to ask all the staff, even though they were essentially continuing in their jobs, to provide their tax file number—'this is the way that that is occurring and it worked smoothly.' So they are not, by nature, recommendations that we have asked for. If we asked for a report with recommendations, I am certain he would be more than capable of doing it, but that is not the role that he is playing.

Mr COWDREY: So you do not see a circumstance where you will ask for formal advice from him in writing at any point?

The Hon. S.E. CLOSE: It is hard to forecast and be certain, but that is not the role that I see him playing, at this stage.

Mr COWDREY: I refer to Budget Paper 4, Volume 4, page 83, targets—again, in regard to looking at the university merger. Very quickly in the time that remains, I want to investigate ancillary services such as university sport, in particular. The Adelaide Blacks: is that brand going to remain?

The Hon. S.E. CLOSE: I do not know, and it is not quite within our purview to be responsible to the chamber about that, but I can seek information that the university might choose to share. I do understand, though, that there has been an enormous amount of work on lining up the sporting teams and that the progress on that has been very positive. There is a deputy vice-chancellor student experience who has been leading some of that work and I believe that has gone very well, but I do not know the specifics of the branding of that particular club.

Mr COWDREY: As I understand it, again, the department itself did not prepare a business case for the merger—it is my understanding that it was simply the business case from the universities handed over—so there was no independent verification of that business case in terms of preparation of a government-produced business case. Noting that, are you able to confirm for us whether any further rationalisation of university accommodation, in addition to the Magill and Mawson Lakes sites that have been identified prior to this, was part of that business case?

The Hon. S.E. CLOSE: Just to situate this a bit, while we were in opposition during the Marshall government there was a view formed between those two universities that they would merge, and then that came to an end. That could have continued at that point; it is a decision that universities are capable of making. They are organisations that depend heavily, particularly, on federal funding but also on external funding. They are not, other than the legislation, funding creatures of this state government. Therefore, they are entitled to prepare a business plan and make a business decision on what they want to do.

Our responsibility is to make sure that any funding that we provide to any organisation, including universities, has a strong rationale, the right KPIs and the appropriate acquittal, and that has been occurring. I am not aware of any changes to accommodation that the new university is contemplating, but that is fundamentally their business. They are welcome to come and talk to government about any plans that they have in expanding accommodation; for example, they have made pleasing statements about their desire to remain and, in fact, expand in the regions.

We have to keep in mind that we are not the university—it is its own institution—but because of the immense economic significance of not just the education but also the research that is undertaken, it is important that we pay close attention in a way that means that we are aware of what is occurring.

The CHAIR: The allotted time having expired, I declare the examination of the proposed payments for the Department of State Development completed. Administered Items for the Department of State Development are referred to Estimates Committee B. I thank the minister and her advisers and the opposition.

Sitting suspended from 12:16 to 13:15.

DEPARTMENT FOR ENVIRONMENT AND WATER, \$192,478,000

**ADMINISTERED ITEMS FOR THE DEPARTMENT FOR ENVIRONMENT AND WATER,
\$33,270,000**

DEPARTMENT FOR ENERGY AND MINING, \$68,285,000

Minister:

Hon. S.E. Close, Deputy Premier, Minister for Industry, Innovation and Science, Minister for Climate, Environment and Water, Minister for Workforce and Population Strategy.

Departmental Advisers:

Mr B. Bruce, Chief Executive, Department for Environment and Water.

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

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

Ms S. Hutchings, Executive Director, Water and River Murray, Department for Environment and Water.

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

Mr M. Smith, Acting Executive Director, Strategy Science and Corporate Services, Department for Environment and Water.

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

The CHAIR: I declare the proposed payments open for the Department for Environment and Water. The minister appearing is the Minister for Climate, Environment and Water. I call on the minister to make a statement if she wishes to do so and to introduce her advisers, and then I will invite the opposition to do the same.

The Hon. S.E. CLOSE: Thank you, Chair. I will not be making an opening statement other than to thank all the people who work within the Department for Environment and Water. It is a very great pleasure for me to be their minister. It is one of the honours of my career.

Sitting with me I have Mr Ben Bruce, the Chief Executive of the Department for Environment and Water and also Mr Shaun O'Brien, the Chief Financial Officer and Director of Finance. Behind me I have Mr Matt Smith, the Acting Executive Director of Strategy Science and Corporate Services; Mr Mike Williams, the Executive Director of National Parks and Wildlife; Ms Sue Hutchings, the Executive Director, Water and River Murray; Ms Cate Hart, Executive Director of Environment, Heritage and Sustainability; and Mr Grant Pelton, the Director of Strategic Projects. As agreed, I have sent home the biosecurity person from PIRSA; at home probably to work rather than at home, to be fair.

The CHAIR: Member for Colton, I understand you are to start.

Mr COWDREY: I will start with Budget Paper 4, Agency Statements, Volume 2, page 141, targets, the implementation of sand management strategies along the coastline. When will the program identified in budget measures be implemented this year and to what volume of sand?

The Hon. S.E. CLOSE: I have just been having a conversation with the chief executive about this on how to yet again deal with the conflict that I have declared on the decision-making about what to do with the sand movement. Because of that conflict, I have nothing to do with the decision-making process. I am not present in cabinet when it is discussed and, therefore, our view is, and of course it is for the Chair to rule again, that these questions, if they relate to that project, ought to be directed to the Attorney-General who is the minister taking responsibility for that.

If there are questions in sand management relating to the business as usual work, then I am more than happy for the chief executive, through me, to answer questions.

Mr COWDREY: Yes, with the understanding, of course, that in the Attorney-General's role the budget lines are not open for examination so effectively that is preventing the opposition from asking any questions in regard to estimates in relation to—

The Hon. S.E. CLOSE: I appreciate the complexity of that. The other alternative before us is that questions are placed on notice and you will receive answers.

Mr COWDREY: Sure. The first question off the bat was to do with day-to-day coastal management as opposed to the review itself.

The Hon. S.E. CLOSE: Okay.

Mr COWDREY: Again, the question was in relation to the program of work and the ongoing quarry sand replenishment at West Beach, which was identified in the budget measures this year. When will that program begin and for what volume of sand?

The Hon. S.E. CLOSE: I will ask the chief executive to respond.

Mr BRUCE: Thank you for the question. It really does depend a little bit on where we go into the government's consideration of the future project, but the next steps we are looking at are 110 cubic metres of quarry sand to West Beach, 20,000 of beach sand to Semaphore Park, 5,000 to Semaphore South and 40,000 to Glenelg North. Then, of course, there will be maintenance as we go with storms, etc.—bits and pieces that we cannot forecast. That is the plan at the moment noting that there will be those variations.

Mr COWDREY: So nothing into Henley Beach South?

Mr BRUCE: Henley has 40,000 along that stretch, and it would also depend on erosion hotspots and bits and pieces there as well.

Mr COWDREY: Where is that sand being sourced from? My understanding in previous years is that sand has been sourced from one particular quarry and potentially that has now changed to more than one location. Are you able to outline where the expectation is that that sand will be sourced from?

Mr BRUCE: Sourced from quarry, in the short term at least, until government makes a decision. There are two quarries that we utilise. I am not sure of exactly which one, or whether it is a mix of both, but certainly there are two quarry sources that we use.

Mr COWDREY: Are you able to outline for the committee the tolerance or the minimum standard of sand in terms of the composition of clay within the sand that is brought from the quarries? My understanding was that in previous years the threshold in terms of clay components in the sand was at 0.5 per cent. Has that policy been changed or altered in any way over the last—

Mr BRUCE: No, it has not. The 0.5 per cent is still there, and we have not had any test results to say that we have exceeded that at all. I know the community has raised some issues, but we have no evidence that the proportion of mud or silts in there has changed at all.

Mr COWDREY: How frequently is the sand being tested?

Mr BRUCE: I would have to take that on notice exactly. I know there is a routine testing program, but whether it is weekly or monthly, I would have to take that on notice.

Mr COWDREY: So you are not able to even give us a ballpark figure in terms of if the sand was tested once, if it was tested twice, if it was tested 15 times? We are talking about, obviously, a significant volume of sand that has been coming in over the last little while. Has it been tested in the last six weeks?

Mr BRUCE: Again, I would take that on notice. There is a routine testing program, so it is not like they just test once and set and forget, but whether it is weekly or fortnightly or monthly I am not sure. I would have to take that on notice.

Mr COWDREY: Who undertakes those tests? Is that done by DEW itself or is that reliant on the quarry itself doing the testing?

Mr BRUCE: That is a good question. I just have the information here: it is done monthly. While the quarry takes the actual samples, it is provided to a NATA-certified laboratory that does the testing. They do not do their own testing but they do take a sample and provide it, and we get the results.

Mr COWDREY: It is done on a monthly basis?

Mr BRUCE: Yes.

Mr COWDREY: Is that done in a manner that is unexpected? If they are picking the sample, as opposed to the sample coming from a randomised selection, is it the quarry itself that selects which sample is going to be made, which volume of sand is going to be tested, or is that something that is done at random?

Mr BRUCE: In terms of that level of detail, I would have to take that on notice. In terms of the randomisation of the sample, I would assume there is a normal process for doing that, but I would have to take that on notice.

Mr COWDREY: Obviously, you can see where I am going with the line of questioning.

Mr BRUCE: Yes.

Mr COWDREY: If the quarry itself gets to select which volume is tested, then of course they can provide one that perhaps meets the testing criteria and the policy that is in place; whereas if the testing was randomised, that then provides at least the ability for there to be a non-selection of volume that is tested. Is there any concerns that the department has in terms of the concentration of clay? Do they refute the claims that have been made by the community?

Mr BRUCE: I have not had any issues raised with me by staff. Obviously, we are aware of the community issues, and they have certainly brought those to my attention, but we haven't had any

data provided to us that would suggest otherwise. Certainly, there have been some comments, too, about seagrass wrack in there, which changes the look and feel of the sand, and there has certainly been a greater amount of seagrass wrack in there in recent times. So that may explain some of the issues observed, but, as I said, I would need to take on notice the actual detail of those samples.

Mr COWDREY: I think you alluded to it in the earlier answer, that results of the trial may dictate whether this goes ahead or not. When will we have clarity as to whether this will actually be undertaken?

Mr BRUCE: That is a question for the government. I cannot answer that.

Mr COWDREY: Perhaps I can put that to the minister.

The Hon. S.E. CLOSE: I will take that on notice for the minister.

Mr COWDREY: Sorry, this is where I get confused. You are the minister who is responsible for the day-to-day beach management and sand management, but not the review itself?

The Hon. S.E. CLOSE: That's right.

Mr COWDREY: One of the recommendations of the review was the recycling of the sand, which has to this point not been undertaken by the government. Rather than recycle, we have continued to use quarry sand. As the minister responsible for the day-to-day management of sand, which would include making a decision of whether sand should be recycled or not, the exact reason that you declared a conflict in regard to the beach management review was the fact that the proximity of your residence to one of the locations that was in question with the review.

The main source of recycling sand is that very same location on the northern beaches, so I am struggling to understand how you have a conflict of interest in regard to the beach management review, but you do not have a conflict of interest when it comes to decisions around the ongoing beach management and sand management along our coastline. Have you sought advice at any point, or declared a conflict of interest in terms of beach and sand management?

The Hon. S.E. CLOSE: My conflict relates to being a decision-maker about where in the future sand will be taken from the northern beaches, if it is indeed taken from the northern beaches, and how—pipeline, trucks, dredging offshore—so my conflict is live for that. That decision, as I understand it, is yet to be made by government, and so there is a minister who is responsible for taking that decision, or the options, to cabinet, and that minister—I understood your question was when will that decision be made. If I have misunderstood the question, I apologise, but my view being that I do not know when it will be made because I am not have anything to do with that decision-making process.

Mr COWDREY: No, my question was not in regard to that. My understanding is that the government, as part of its ongoing beach management processes, has the option available to it, should it wish, of recycling sand whether that be by any means at the moment—the only one available is truck, as is used with quarry at the moment—but there is also the live option of recycling sand from Semaphore Park at the breakwater back to West Beach at the moment. While that is being considered by the review, that is not something that has been said to be off limits in terms of day-to-day coastal management. So, again, you can perhaps make it clearer to me. Have you sought any advice in regard to a conflict in regard to the day-to-day management of beach and sand management?

The Hon. S.E. CLOSE: The recycling that exists occasionally now as I understand it goes from Semaphore South. I have no conflict with Semaphore South. So the decision about sand from Semaphore South, quarry sand, is nothing to do with it. My conflict was about the beach further north, which is near my house, and a decision about whether that would. It was under the previous government for the first time that that area of beach was quarried for sand. That had not happened, at least in the 30 years I have lived there, and so that was an extraordinary event for the community.

That is an event that, Crown advises, might affect the value of houses within that stretch. The Semaphore South breakwater is some distance from there and has no relationship to any conflict that I have. Once a decision is made by government about whether they continue to take sand from further north than Semaphore South and, if so, how, there will be a question for me that will go to

Crown of whether management of that creates a conflict. But at the moment there is not any sand coming from there.

Mr COWDREY: I understand your response, minister, but again you have not answered the question as to whether you have sought advice if you have a conflict in day-to-day beach management. If your assertion is that you have made the decision yourself that you do not have a conflict, that is fine, if you could put that on record for us, but have you sought advice as to whether you have a conflict in regard to day-to-day beach management?

The Hon. S.E. CLOSE: The advice I sought was not on either day-to-day or a project decision. The advice I sought, from memory—and it was about three years ago now, or more—was whether activity that might occur in front of where I live might constitute a conflict, and that activity does constitute a conflict. Whether that is a one-off decision or ongoing will be a later question, if there is a decision to do things in front of where I live. What we are talking about in Semaphore South is no different to what might happen at Henley.

I would not seek conflict to find out if something happening at Henley—I would not ask advice because clearly it is nowhere near my house, nor is Semaphore South near my house. So it is just not a question that arises. The question is, if I have an interest in property (where I live) that is adjacent to where activity might take place, might that affect the value of that property? Yes. In that case, I need to declare that as a conflict and I have removed myself as a decision-maker. What comes from Semaphore South or what comes from Henley at the Torrens outlet or what comes from a quarry has no relationship to where I live.

Mr COWDREY: Perhaps if we consider the development of the government's policy, which was developed from outside of government, you had to declare a conflict of interest afterwards, having been the shadow minister who developed that policy. The conflict was declared after the fact when you became a minister, for obvious reasons, in that it was then operational. Do you accept that the current government's policy was developed with an active conflict?

The Hon. S.E. CLOSE: The policy was to undertake a review. It was not a decision-making policy, it was to undertake a review, and that review was undertaken. Once it became a decision in government, that is when I rightly declared a conflict.

Mr COWDREY: The question then remains in regard to Semaphore South and the breakwater. There is no conflict there. The recommendation that has been made, through the review to this point, is to recycle sand rather than use quarry sand. Are you able to explain why the government's own recommendation is not currently being implemented in regard to the day-to-day operation of coastal management?

The Hon. S.E. CLOSE: The advice from the department is that the Semaphore South breakwater sand supply was exhausted in the activity that was undertaken under the previous government and that there was not sufficient sand, and that the quarry sand quality is of a standard that is more easily under control, and therefore the advice from the department was to use that sand at this stage.

Mr COWDREY: The government made a recommendation to recycle sand in its own report, despite the fact that your evidence is that there is currently not ample supply there for it to happen?

Mr BRUCE: The difference with that is the review is looking at a range of different locations. A part of it was to investigate a range of different sources for that. That is still a live decision, as the minister said, which she has conflict with, but that is part of the broader project. This is an interim arrangement until the decision is made on that project.

Mr COWDREY: In your view, minister, is there sufficient sand currently at Semaphore South for recycling to take place?

The Hon. S.E. CLOSE: The advice is that, no, there is not sufficient to reliably use. That was certainly the case back in 2022, that it had been exhausted.

Mr COWDREY: Of the 260,000-odd cubic metres that has gone into West Beach over the last couple of years through the standardised replenishment process, where is that sand located now?

Mr BRUCE: While we cannot track every individual grain, obviously the movement is in a northerly direction across and we are seeing a creep further north, as the community is well aware, and also in various offshore areas as well. So it is as we expect, and we know sand moves in those directions.

Mr COWDREY: Minister, going back to the Semaphore South breakwater, is it the intention of the government to keep that breakwater there?

The Hon. S.E. CLOSE: I have never had any advice other than that. No-one from the department has ever come and suggested that it should be removed.

Mr COWDREY: So to the best of your knowledge it was put there operationally to be a yearly source of sand build-up, so that it could be recycled to the north. That was a Labor government policy at the time. It was a Labor government that initiated that project. Is it deficient in any way? Is it not achieving what it was set up to do?

The Hon. S.E. CLOSE: My recollection is that, rather than it being put there for yearly sand replenishment or availability, it was occasional, from time to time. It is affected by coastal processes, as is all the rest of the coast. It had a big amount taken out of it in the 2018-22 period and there was a significant amount of restoration in the lee of the breakwater. A significant amount of restoration of that part of the coast was necessary. It presumably is still serving the function, but it is, as I say, like the rest of the coast, subject to the big storms, big tides that can sweep a lot of sand out and I think a few of those, combined with the significant amount that was taken a few years ago, has meant that it seems to be taking a while to replenish.

Mr COWDREY: Just so I can be very clear, you are aware that at Henley Beach South the beach level has dropped by approximately one metre, we have existing infrastructure that has been exposed for the first time in decades, and the beach is the worst shape in which I think I have ever seen it. Do you accept that as being the case?

The CHAIR: Before I invite the minister to respond, I think we are starting to stray into what we might call general question time questions rather than the budget itself. But if the minister is happy to respond, I am happy for her to respond.

The Hon. S.E. CLOSE: I am happy to respond but also, of course, to be obedient to the Chair's directions. The advice I have is that if you look over the long term it is not necessarily the case that it is the worst it has been. There is a great deal of variability that is dependent on storm activity. Also, of course, all of the coastline is being affected by climate change by the increase in sea level.

Sea level rise is not just about an incremental, gentle, little bit more water than we had before; it is about what happens when there are high tide storm surges. Of course, climate change also increases the intensity of weather because there is simply more energy from the sun trapped within the Earth's atmosphere. That is what climate change is. So there have been coastal processes all along our coastline across South Australia that have given a lot of beaches a fair battering.

I have not studied the long history of Henley, but the advice I have just been given is that it is not out of all proportion of previous experiences. That in no way diminishes that it is serious that we look after our coastline as best we can, particularly the metropolitan coastline, and that is what the department seeks to do diligently.

Mr COWDREY: My final question is actually more of a request, given the answer to the first question. Is the minister happy to keep the relevant budget lines open and have the relevant advisers present in the Attorney-General's estimates session to ensure that appropriate questions can be asked in regard to the coastal management review?

The Hon. S.E. CLOSE: Chair, I do not know that I have the power to do that, to keep budget lines open.

The CHAIR: Can you please repeat that comment?

Mr COWDREY: I made a request to the minister to keep the relevant budget lines open. Given that the minister has not appeared today and the relevant advisers are here, I ask that the

budget lines be kept open and the relevant advisers come to the Attorney-General's session so that those questions can be asked of him.

The CHAIR: I can advise I have actually sought advice on this matter, anticipating this. I have been advised that we can actually keep this line open into the day and refer it to Estimates Committee B when the Attorney-General is speaking. You will have an opportunity to ask questions there. Okay?

Mr COWDREY: Thank you.

The CHAIR: I have no doubt the government has nothing to hide.

Mr COWDREY: The Chair is not usually meant to provide commentary or an opinion on the government's view or otherwise.

The CHAIR: And members are not supposed to make a commentary about the Chair's commentary either, okay?

Mr COWDREY: Tit for tat, sir.

The CHAIR: I think you had better leave while you are ahead.

Mr BASHAM: As I open, I would like to also thank the staff and the minister for their time here today. I would also particularly like to thank the parliamentary staff for accommodating my ability to sit out here in the centre today and also for supplying me with a footrest, appropriately upholstered in House of Assembly green so it also fits in with our surrounds.

Just following on in relation to beaches, etc., I have some questions around coastal management. The storms back at the end of June highlighted what weather can do to our beaches. The Coast Protection Board and the staff of DEW have supported the LGA's SA Climate Ready Coasts program. Funding for this is going to run out on 26 July and there is an ongoing need to manage these coastlines. The question that is of interest is from Budget Paper 4, Volume 2, page 133. Dot point 4 under program 3 promises protection measures for South Australian coasts. Will this be funded from one of the statutory funds created under the Landscape South Australia Act 2019 or other sources of funding?

The Hon. S.E. CLOSE: The source of the money that goes to the Coast Protection Board is general appropriation. It is a budget line that is allocated to it.

Mr BASHAM: Is the government budgeting for a local/state government coastal coordinator to support councils in the development of their coastal hazard adaptation plans?

The Hon. S.E. CLOSE: We do fund that position alongside the LGA. We will be discussing the future with them prior to the end of that money.

Mr BASHAM: In the same space, is the government budgeting to increase the Coast Protection Board grants to enable more councils to undertake their coastal hazard adaptation plans and to implement them to build on the success and the momentum of SA Climate Ready Coasts?

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

Mr BASHAM: Is the government budgeting to increase the Coast Protection Board grants?

The Hon. S.E. CLOSE: No, that is not currently in the budget to increase.

Mr BASHAM: Moving away from the coast and moving to some of the new projects in place, can the minister outline the progress of the purchase of Nilpena Station and any roadblocks, challenges or changes to the project costs, etc?

The Hon. S.E. CLOSE: This is a terrific bit of government activity, I think, and it stretched across both sides of politics to support Nilpena Ediacara. I do not know if you have had a chance to go up there, but I urge everyone listening, if they have not, to go and have a look. It is really quite remarkable what has been done, and of course we are all gunning for World Heritage status for the area.

As part of that, we have been given through this budget additional expenditure authority to purchase the Nilpena pastoral lease. That will be for just under \$4 million. That has just occurred. On 11 June, settlement took place. What it does is fill out the rest of the area that the park is now taking. Originally, we purchased a portion of Nilpena Station to create the national park. That took in all of the fossil areas, and it includes the land being nominated, of course, for World Heritage.

What we have now been able to purchase, having the remainder of the lease, means that we will be able to better manage access to the park. It also includes Nilpena homestead and associated outbuildings, which will be very useful for the staff, not only for ranger staff but also for scientists who are frequently staying there. The conditions in which they stay are not the most comfortable, although they make the best of it. Being able to use those assets rather than having to build new ones will save us money, but it will also make it a lot better as a kind of hub for people to go to.

People will be aware that Professor Mary Droser has been coming to Nilpena for a couple of decades and has done extraordinarily important research on the fossils that are there and has been one of the driving forces, although there have been South Australian scientist driving forces as well, really drawing the world's attention to the importance of that fossil bed.

It is the most accessible and finest example of Ediacaran fossils. It is the reason they are called Ediacaran, after our location. There is one golden spike that exists in the world, demarcating two eras of time, anywhere around the world. This is the first time I think that a golden spike is in the Southern Hemisphere, possibly one of the only outside of the United States, and that is in Brachina Gorge, where the layers of rocks are handily tilted on their side, and you can see the point at which the eras change. The Ediacaran golden spike is there and visible.

So, for anyone, adult, retired tourist, a young child, the whole trip offers what you can learn about our early times; also, the sense of pride in what we can teach others right here from South Australia is remarkable. Being able to purchase from the Farghers, who have been very active in supporting and making this work, has been tremendous.

I am not aware of any blocks or challenges. Certainly, if there have been any bumps on the road, they have been smoothed out, but I am not aware that there were any. This is a really good acquisition and we are expecting to be able to proclaim the additional area into the park itself over the next year or so.

Mr BASHAM: In relation to the acquisition, you said an 11 June settlement. Does that mean that is finalised, that there is nothing further to be spent on its acquisition?

The Hon. S.E. CLOSE: That is right. It is legally finalised; settlement has occurred. The next stage, as I say, is the proclamation into the park, which always takes a period of time, but it is not to do with finances or to do with the Farghers.

Mr BASHAM: Now just moving to the wetland habitat project. Can the minister outline the elements of this project and reasons for this investment and its anticipated outcomes?

The Hon. S.E. CLOSE: We would be precise about which wetland you are talking about because there has been a number of projects through the Limestone Coast, which I suspect you are referring to. Is it the more recent?

Mr BASHAM: Yes.

The Hon. S.E. CLOSE: What was called 'Flow lines and flight lines' and now has a slightly different name?

Mr BASHAM: Yes, I think.

The Hon. S.E. CLOSE: It has \$17 million coming from the commonwealth. Is that the one?

Mr BASHAM: I think that is the one, yes.

The Hon. S.E. CLOSE: I think it is now called the Shorebird and Wetland Habitat Project, which is much less fun than 'Flow lines and flight lines'. If you would like an update on that, \$17 million was announced by the Australian government back in April 2024. It was part of the decision to revise

the legislation of governing the Murray-Darling Basin. It was a very important legislative update which, amongst other things, determined to allow for buyback to be applied as a method of recovering the 450 gegalitres which previously the law had prevented from happening.

As part of that big shift in legislation, the Australian government and Tanya Plibersek made a decision to add an additional \$17 million to South Australia's wetland habitat. Since then, we have been preparing how to spend that in the best way. I have heard slightly different figures, but under 3 per cent of the original wetlands through the South-East Limestone Coast area is functionally still intact.

When we are talking about shorebirds, coming from vast distances often, the migratory shorebirds are very vulnerable to the habitat reception that they get when they arrive here. We need to have a variety of wetlands available to them so that if one is in flood or one is having a salt issue, another one will be suitable, and that is why we have been working in the previous project and now in this one, making sure that the wetlands are connected and healthy and are available to support aquatic life as well as the shorebird life.

We have been working on developing the plan. We have some on-ground works and activities that will occur that will include some water management infrastructure, or how we connect bits of water so that we can help control keeping them wet at the right time; some channel clearance where we start to see weed or reed build-up; pest management, which is always a feature of environmental management; and also general habitat improvement such as revegetation. Those are all being planned out at present. We will, of course, bring in the First Nations of the Limestone Coast to be part of that planning process, as well as the local community generally.

Mr BASHAM: I refer to Budget Paper 3, Budget Statement, page 23, table 2.6, which outlines the expenditure by the department and lists what was expected versus what actually occurred. It was budgeted in 2024-25 to be \$336 million and turned out to be \$455 million. I am just wanting to have some understanding of what was behind the \$119 million overspend.

The Hon. S.E. CLOSE: There is—as the shadow minister has rightfully identified—an increase in expenditure, but it is not an overspend in the sense that it is not that we have spent money we do not have, it is that there have been additional funds available. The main reasons for the differential are higher expenditure on a number of commonwealth government-funded projects. They include:

- the Constraints Measures project, which of course is very important to the Murray-Darling Basin, being about \$13 million of it;
- National Water Grid Fund initiatives;
- the SA Alternative Water Supply Efficiency Measures Program, which again is connected to being able to free up River Murray water for the environment;
- the Healthy Coorong, Healthy Basin program had some additional funding;
- implementing water reform in the Murray-Darling Basin;
- The Living Murray project;
- Flows for the Future;
- Enhanced Environmental Water Delivery supply measures program; and
- the bioregional planning pilot.

The ones that I have mentioned to date have essentially been associated with the Murray-Darling Basin—although possibly not all of the National Water Grid—but the bioregional planning pilot program, which is a new program that occurred during the budgeted time, is about making sure that we are able to identify, both commonwealth and state, the environmental assets and values in a particular location so that wiser planning decisions can be made.

Given that both the commonwealth and the state have decisions to be made about whether or not activities can occur that will potentially do damage to the environment, the more knowledge

that is held and available and mapped out that describes where precious environment is that might cause a challenge for a development to occur, then the smoother the planning process becomes.

The commonwealth proposed having this bioregional project and they wanted to do some pilots. I think one other state agreed to, possibly Queensland, but in any case we put our hands up and we were able to secure some funding to do that, which we have done around north of Whyalla—I hope my geography is accurate about that—looking at areas where we might have some more renewable energy, for example. If we want to have more renewable energy, that is fantastic for climate change, but we have to make sure it does not hurt biodiversity at the same time. So we are trying to map that out appropriately.

It was good that there was money that Tanya Plibersek secured for us to add to the Flinders Island Safe Haven Project. This is a wonderful project on an island that is privately owned but the family are very keen to see it be restored as much as possible, which involves eliminating the pests, the cats, the rats and the mice. We did not have enough money that had been previously allocated to do it properly, and half eradicating, of course, is not eradicating because they all breed again. So we paused and sought more funding and that came through and that is one of the projects.

There was also some money that we received from the Great Artesian Basin Water Security Program. There is a little bit of money that went back and forth also from investing into operating, so it came out of the capital and went into the operating. It looks like we are spending more but it is just shifting the columns and that was associated with the Lower Murray Reclaimed Irrigation Area Remediation and Betterment Program.

And there was also some money that came in to restore Ayers House in order to make that work. There was some higher depreciation. It is a lot because all these are fairly small and they add up to \$119 million. There was higher depreciation expenditure due to an asset re-evaluation that occurred. There was money that was spent on some River Murray flood asset reinstatement works, there was some carryover for the sand on Adelaide beaches program, and more money came in for improving levee bank planning and management.

The Kangaroo Island recovery works: there is still a little bit of money that came in following the fire where we were given insurance money basically to recover. That came in in that year as well. So there were a number of projects that meant that we were able to spend more money.

Mr BASHAM: Following on from that, understanding, certainly, that possibly even a large proportion of the \$119 million came from the federal government to commit these projects, I assume some money had to be found to either match or partially match some of those funds?

The Hon. S.E. CLOSE: I think largely not with those examples, but the greater point is true that sometimes when we are offered commonwealth money it is with the understanding that we will come up with money and we go to our good friend the Treasurer and we ask for that, that we can get all of this if we get a bit more appropriation. That will also happen occasionally. But I suspect largely not on these. I think they were genuinely commonwealth projects.

A surprising amount of the big environmental works are funded by the commonwealth in South Australia because we are at the end of the Murray Darling Basin. There are some other works that happen, but it is that money that is very significant.

Mr BASHAM: I guess that then leads to the question of the expenditure of \$455 million in 2024-25 and then looking forward to the end of the estimates we are looking at \$303 million expenditure. I am trying to understand why the reduction.

The Hon. S.E. CLOSE: That is because we have such a large amount of money that is spent on behalf of the commonwealth. That does make the figures occasionally look quite bouncy when you go towards the end of the estimates period because during that time they will make budget decisions and more money will come in. Projects are all time limited, so projects come to an end and we budget for them coming to an end and then more money comes in and so it goes up again. That is one of the challenges of looking too far ahead in forward estimates on our figures because we are so dependent on time-limited projects in that sense, but new ones always come on.

Mr BASHAM: Referring to Budget Paper 4, Volume 2, page 131, can the minister explain how the Department for Environment and Water originally proposed to reduce the workforce by full-time equivalents of 10.6 in 2023, but ended up with—so that was 1,297.7 people?

The Hon. S.E. CLOSE: We went down in staff and that is again time-limited projects coming to an end. Again, as I was suggesting, this is largely associated with the time-limited commonwealth projects that come in and out. There was an actual, as you say, of 1,296 in the previous year 2023-24. We believe it will be 1,316 for 2024-25. We are budgeting back again down to 1,286, but where it lands will be dependent on whether additional projects come in. The other point that has just been made to me is that the casual firefighters will come on and off, depending on what the fire season is like.

Mr BASHAM: Moving on to park visitation, what are the contributing factors to a decrease in expected visitor rates to key sites and decreases in numbers of bookings?

The Hon. S.E. CLOSE: What we are seeing is just an attempt to estimate what the post-COVID number looks like. During COVID, people flocked into our parks—they did not travel overseas, of course—and rediscovered the joys of the environment. There is an element of legacy in that of course, but there is also a lot of people now going overseas. So we are just trying to estimate where we are going to land in the post-COVID world.

Mr BASHAM: Is that missing the opportunity to try to keep them?

The Hon. S.E. CLOSE: Yes, we are certainly trying to keep them and putting a lot of effort into that, but we are also recognising that some of these numbers will be some people going multiple times, because there is nowhere else to go, who will now still go to the park but will go slightly fewer times because they now have other things they can do: they can go interstate, they can go overseas. But, yes, visitor numbers are good. We want people to visit our parks, we want them to enjoy them and to understand a bit more about nature at the same time.

Mr BASHAM: I guess, then, it comes down to the revenue from visitation, and the revenue target is more than what was estimated. Is that showing the fact that people are actually turning up more than was expected?

The Hon. S.E. CLOSE: In part, it is because we have some new products that people are paying to come and see that we are expecting to be able to secure some more income. For example, just recently, Cleland has opened up their new Koala Loft—an incredible visitor experience now for people, and better for the koalas as well—so that will see a surge of people going up there who have not been probably since they were kids or their kids were small. There is then another example of Dhillba Guuranda-Innes National Park, where a series of incredible statues, works of art, have been put through the park as part of the co-management board's approach to attracting visitors. We would expect to see more people coming through for that reason. You will also see, for good or ill, CPI has meant that everything costs a bit more and so, although we only lift our charges by CPI, that will also explain some of the drift upwards.

Mr BASHAM: Now moving to something that has been occupying your time and my time, which is the Biodiversity Act. In relation to the Biodiversity Act, and the expectation of what funds and projects have been coming out of that, what is going to be needed to be able to allocate that going forward, to promote it and roll out the act itself?

The Hon. S.E. CLOSE: We have had a couple of really good budgets on biodiversity generally. The additional funding two budgets ago for BioData SA was really significant for us. It is the way in which we collect and store information about the biodiversity that is in the state. We had a system that was pretty old and not as functional as it needed to be. That investment has facilitated our being able to start to get the kind of information that means that we can line up with the other states and the commonwealth in the information that we hold that assists with decision-making.

Last year we had a significant amount of additional money, including reversing savings that had been built in by previous governments for the environment budget that enabled us to invest more in biodiversity work. The election commitment that I came in with to establish a biodiversity unit has meant that we have been able to fund the work being done to prepare the bill, the act, and also to prepare for the next stage, which will be the subordinate legislation. This year, we have seen some

funds come in—a significant amount—for wildlife carers, and also some for wildlife conservation through that.

All of those bits of money—and when I say bits it is millions of dollars—will be well-directed toward making sure that the Biodiversity Act gives the maximum value to conservation possible. As the member will be aware, part of the intention of the Biodiversity Bill was to help facilitate additional resourcing from outside of general revenue, outside of the budget, to attract and guide the way in which expenditure is directed toward conservation. Whether that is landholders who are primary producers who want to get ESG credentials, we will invest in a certain way to be able to get that because we are going to be establishing the guidelines and principles to make that work. Whether it is about big philanthropic organisations, whether it is charities closer to home, even the way in which grants that are issued through landscape boards, we will pay attention to the state biodiversity plan. While there will be money required, which is in the budget, to help make the act successful and useful, it is also about facilitating additional funding and directing existing funding to the highest priority.

Mr BASHAM: I guess out of the complexity of the Biodiversity Act itself, the rollout of the components within it? There are certainly parts of it that will easily move from the Native Vegetation Act, for example, across to each new role, which I imagine can happen relatively quickly, but other parts of it that you mentioned, such as farmers' ability to access new components, etc., can you outline what you expect in relation to those timelines?

The Hon. S.E. CLOSE: Yes. I am glad to have the question. The Biodiversity Act will take, we think, a full two years to be fully commenced. Impatient me would love that to be much quicker, but I respect and understand why it is going to take so long, because there is a lot of subordinate legislation in the form of regulations that will be required. Also, there is a lot of policy work, guidelines and so on that need to be pulled together. The intention soon—the agency has only just got the act through—the next stage, and I have made a commitment to stakeholders on this, is that we will do a plan of how we anticipate commencing various elements of the act, how we work on the subordinate legislation, and how they therefore can choose to participate in the detailed consultation that we will undertake.

This came from some stakeholder group saying, 'Look, we are prepared to put resources into staff time, but we are not going to do it for two years because we are only interested in this bit, so tell us when that will be.' So we will project plan that out for people. What we will do is leave the two pieces of legislation that are the foundation acts in place until it is time to switch over. The kind of early commencement I am talking about might be that we would set up the biodiversity council, for example, in order for that council to help oversee the way in which the subordinate legislation is produced.

In terms of clearance decisions, which will of course be of very real interest, we would be expecting that we would see that take all the way through until the full commencement of the act when all of the guidelines and the new approach are in place so people can have the certainty that the existing rules are maintained.

The biodiversity and nature economy division will be responsible, as part of the restructure that has been established by the chief executive, and it has been aligned in order to support the Biodiversity Act and the intentions of the Biodiversity Act. We are expecting in early August that we will be able to kick off, 'This is how the project plan is going to look and we are starting.' That will be public so, of course, as shadow, you will also be aware of that.

Mr BASHAM: Are any significant staff increases expected to manage this process?

The Hon. S.E. CLOSE: No, it has been more the realignment of staff and also the fact that we have had money in previous budgets that has helped us get the right people in the right places.

Mr BASHAM: Looking at the citizen science strategy, can the minister outline the ongoing plan for citizen science and how much funding may be allocated? My understanding is that that was how Fungimap occurred, which is also something to reflect on. It has probably been mentioned more times recently in this chamber than it has been in many years.

The Hon. S.E. CLOSE: Yes, which is sort of wonderful, because it is an entire kingdom that people do not talk about enough. We will find out how much money is left. The money runs through to the end of June 2026, of course. Whether and what replaces or follows on from that may be the subject of election commitments or it may be a subject of the budget next year, but it has still got a way to run. Would you like to know how much is there?

Mr BASHAM: That would be good, thank you. While you are looking at that, out of interest, what does the minister think is the biggest tangible outcome of the program today?

The Hon. S.E. CLOSE: In terms of the expenditure, we are going to have to take that on notice because we have the allocations with us rather than the actuals. So we can give you that. There will be many examples of individual projects and I am sure the press releases that I have occasionally put out refer to them. The engagement that we have had has been probably the most significant outcome and one of the things that I really appreciate about the way the department designed the program was having small grants and then larger research grants so that individuals and groups at different scales of interaction were able to apply for the kind of grant that would work to facilitate their activities. Perhaps when we give you the written answer on the actual allocations we will also give you a list of a few of the really good ones. They are all good, but a few examples.

Mr BASHAM: Just moving to program 2, around the River Murray in particular, what is the breakdown of the \$37.4 million allocated to the River Murray program net cost of services in 2025-26 between direct river delivery programs and operational and internal departmental and staffing administration?

The Hon. S.E. CLOSE: Can you give us the page again?

Mr BASHAM: Budget Paper 4, Volume 2, page 136.

The Hon. S.E. CLOSE: That looks like it is the parks bit, rather than the River Murray. The next page is water and the River Murray, page 139. What was the figure you were using?

Mr BASHAM: A figure of \$137.4 million allocated to the River Murray program, net costs of service 2025-26. Apparently page 132 is where the \$37.4 million was budgeted in 2025-26 for water and the River Murray, at the top of the page there. I am just wanting to understand what the breakdown of that is.

The Hon. S.E. CLOSE: There is a net cost of providing services for water and the River Murray program, which is \$37 million; is that the one?

Mr BASHAM: Yes, that is the number.

The Hon. S.E. CLOSE: There are a number of projects that are associated with that. If you look on page 138, it does give a number of the highlights that have occurred. Because we have been taking so long to find the page, I am sorry, we have now lost track of exactly what it is you are asking for.

Mr BASHAM: It was a breakdown of what that was going towards: the direct delivery of programs, the operation of the locks, etc., whether it is going to internal department staff, or administration; what is it going to?

The Hon. S.E. CLOSE: I think we are understanding that you are interested in how much we are spending on policy versus how much on on-ground works broadly.

Mr BASHAM: Yes.

The Hon. S.E. CLOSE: It is not presented in that way, so it is not possible for us to do that now. I was just asking whether we can produce that as a question on notice, but the challenge is that for each project there will tend to be a policy planning component and then an on-ground component, and whether we would be able to disentangle each one of those projects to give you an answer. It might not be possible, but we will see what we can do. We can look at some major initiatives and see.

Mr BASHAM: Certainly.

The Hon. S.E. CLOSE: An example that you may sensibly be thinking of is the Healthy Coorong, Healthy Basin money that was allocated under the previous minister's time that was about looking at the health of the Coorong, some of which was spent on consultation with community, some of which has been spent on engineering planning and some of which has been spent on on-ground works, to actually make these different.

The big chunk of money that will be required, and is not allocated, would be if we were, say, to connect the South Lagoon to the ocean. I think there was a degree of frustration that I heard in some radio interviews: 'You've got all of this money but you're not spending it on actually doing things. You're spending money on thinking about things or on planning things.' But the reality is, if you are going to do something about the South Lagoon you do not want to make anything worse and you do not want to waste money.

A lot of the effort was on what are the different options, what are the models telling us and what is the community telling us, so that when we have a plan that we want to put before the commonwealth government to seek more funding we have the right approach. That might be an example of where something has had all of it wrapped up in one. Lake Hawdon is an example as part of that: it is tangible on-ground works that is happening right now.

I would not want to characterise any work that is being done on planning and policy development and consultation as somehow not being of importance, because it is often those that are required before you can do the decent on-ground works. We will do our best to break down what kinds of projects sit there and the extent to which they are on-ground, but I am signalling that there will be some limits to being able to fully disentangle.

Mr BASHAM: On page 138, looking at what is listed under highlights, is the doubling of the federal plans to acquire \$100 million of water to leave in the consumptive pool for an Aboriginal water entitlements program?

The Hon. S.E. CLOSE: If you are referring to the third dot point of highlights, being the Closing the Gap Inland Waters Target, that is a South Australian target and activity. It is not a commonwealth-funded one.

Mr BASHAM: Yes.

The Hon. S.E. CLOSE: With that project, we have employed a consultant Aboriginal person to run detailed consultation with First Nations groups or Aboriginal groups around the state to look at ways in which we can meet the Closing the Gap target, and we will be advancing that again this year.

Mr BASHAM: Is the state government's intention to further acquire water, if fully allocated for Indigenous communities, for it to be kept in the consumptive pool, for it to be provisioned for economic benefits?

The Hon. S.E. CLOSE: The answer broadly is yes. It would stay in the consumptive pool because part of the target is that Aboriginal people would have a choice about how they use the waters.

Mr BASHAM: Is it likely that, in purchasing this water, there will be competing with the federal government in relation to acquiring water?

The Hon. S.E. CLOSE: The complexity in identifying water that is available varies from location to location. There will be water sources where there is sufficient water unallocated that we can use to allocate to an Aboriginal group. There will be others where it is fully allocated, and we have made a commitment not to remove water from the allocations that are already in place for people. There will be complexity around the way that works with the Murray in particular—there are a lot of purchases for lots of different purposes—but we are working our way towards it. The simplest ones to do will be the ones where there is already some unused allocation that we will be able to assign.

Mr BASHAM: With any of this water that is being purchased through this process and managed by the Aboriginal communities, are they able to sell that water? Are they able to sell that water to the commonwealth, for example, as environmental water?

The Hon. S.E. CLOSE: The process that we are engaging in at the moment is that co-design project with the Aboriginal people so that we can understand what they would regard as having water interests as First Nations people. What are the constraints that might sit around that that we can all agree on? Whether it is that you can trade annually but you cannot sell, or whether it is completely unfettered or whatever it is, is something that we are still working on with the communities to understand how best to design this.

Mr BASHAM: In that process, would it be envisioned, though, that it could be sold to the commonwealth, or is that something that would be off the table?

The Hon. S.E. CLOSE: The point of my first answer is that we are still working on this. It is not for the government to dictate what this will look like. It does have to be a fully open conversation about what it means to have First Nations water interests. How does that manifest? What are the limits to that? What are the ways in which that would occur? We are still fairly early in that process.

Mr BASHAM: In relation to buybacks and whether or not it is believed there are socio-economic impacts to river communities from buybacks, I guess the challenge is when the department has developed a business case in collaboration with primary industries to support Murray communities, what is your response to the commonwealth Water Recovery Program in the basin and those communities?

The Hon. S.E. CLOSE: This is a really complex area of public policy for Australia to grapple with and for South Australia because we have a lot of things happening at once in the Murray-Darling Basin in our part of the basin that are and are not related to the basin. We have a lot of economic disruption occurring through the wine industry, which has been incredibly challenging for Riverland irrigators who are grape growers. We also have big floods up north but droughts down south, which seems to be a pattern that is settling in a bit. Those elements exist regardless of whether there is another player in the market seeking to buy water, which is the commonwealth, for environmental purposes.

The commonwealth did identify money. The allocation for South Australia is about \$20 million to assist with adjustment in the face of water purchase. Of course, it is uncertain how much water purchase will occur from South Australia. There is no predetermined amount that South Australia is required to sell. It is a case of willing sellers. But PIRSA, and it may well be that you will choose to raise these questions there as well, has been leading a process with the Riverland communities on what it is they say to the commonwealth government about how that \$20 million can be spent, but also what is happening in terms of the necessary structural readjustment that is required for the area.

Even if there is no water bought from South Australia, there are Riverland communities that are doing it pretty tough and, even though they have got water and they have their full allocation, it does not mean that they are not being affected by the drought because they are having to use the water a lot more than they would normally expect to, so I fully recognise that. Then the challenges in the grape growing industry are well known particularly to your colleague there. So those are all complex challenges that are interrelated at present.

My view is that we are being led by PIRSA but we need to get the best outcome from the \$20 million that we can. When there is commonwealth money on the table, you get what you can from it, and there will be some people in South Australia who will be very keen to sell to the commonwealth because that is their path out. The question then becomes: what does 'left behind' look like? That is something that PIRSA is working through.

Mr BASHAM: Just commenting on the fact that we are in a severe drought and the water is vitally important and sometimes a challenge in the circumstance. Is there any modelling being done by your department or PIRSA to understand whether there may be potential sellers out there who would not normally be in the market who we do not necessarily want to purchase from because it will have a significant long-term impact, but they might be needing a short term hit?

The Hon. S.E. CLOSE: PIRSA is doing some modelling, but just to think through the complexity, someone who wants to sell will sell and the commonwealth seeking to buy will choose to buy, and we do not control that. But if you have an irrigator selling, whether it is upstream or

whether it is to the Commonwealth Environmental Water Holder, it is essentially the same effect on that local community in South Australia.

So the challenge that we have with many grapegrowers wanting to exit exists even if the commonwealth takes itself out of the equation as a purchaser because unless they are selling within the community, the water usage is likely to exit. That is complex for PIRSA to model, of course, but that is the kind of work that they are seeking to understand, and to gain commonwealth interest in this bigger issue of what is happening to some Riverland irrigators and how they might best be supported.

Mr WHETSTONE: Minister, with the River Murray program, how will South Australia deal with constraints with the increased environmental flow? We saw what constraints meant to the main corridor particularly in the 2022 floods, and obviously the main channel and the river valley are changing shape, so with additional environmental water, the South Australian government with the federal government will have to deal with the constraints particularly through the constraints program.

The Hon. S.E. CLOSE: Given that Ben Bruce is one of our experts on the Murray, I think rather than my relaying the detail of what he has just described in terms of the work that is being undertaken to facilitate 80,000 megs a day at the border coming across safely, I will ask him to answer.

Mr BRUCE: There are two components to that, as the honourable member would know. In terms of the flood and the changes in the landscape, we have redone the models, so all the data that has been collected from the flood has been built into new models and they have been tested at a number of flow scenarios. As a result, there will be new inundation maps produced and published for everyone to look at and do their planning around, so that will take care of that aspect.

In terms of the constraints program, as the minister said, that is designed to manage flows up to 80,000 meg a day. As you would be well aware, there have been a whole lot of initiatives in your electorate that have been built. The councils have been terrific: local councils have been fantastic partners in developing a whole range of infrastructure that can help withstand those flows that are put through, should they be achieved.

The benefit for communities, aside from having the new infrastructure and some pretty good facilities, is that when there is a natural high flow it will also provide protection against those. As soon as you get into major floods like we had the other year, it goes well over the top of the constraints program, so it will not have any influence on those. But yes, it has been a very productive program and certainly South Australia has been leading on that.

Mr WHETSTONE: Minister, the constraints program is obviously intrinsically linked to the basin plan and river operations. Have there been any constraints program funds released or utilised in minimising constraints for river flows? Have there been any constraints that have either been modified, removed or engineered so that we can actually achieve better environmental outcomes for the flow?

Mr BRUCE: In terms of the infrastructure that has been done, you would be aware that the Renmark town wharf has been worked on, the Loxton foreshore toilet blocks, sluiceways, and electrical switchboard have all been managed, the rowing dock has been modified to withstand those flows and there is construction on the Twentyfirst Street Bridge as well, so there is a range of infrastructure that has already been implemented and going on. As I said, the local councils have been tremendous partners with us on that—very proactive.

Mr WHETSTONE: Those projects that you are talking about, they are modifications to the bank, but I am more referring to constraints that are holding flow back, that is artificially inflating river height more so than flow. If we look at a constraints program: causeways, bridges, pipes, pumps.

The Hon. S.E. CLOSE: That is a different kind of constraint, you are quite right, to the constraints that we are talking about. Under the ministerial council there has been work done on identifying the kind of Barmah Choke-style constraints that are preventing flow from coming down. These projects, as you say, are much more about addressing how you get 80,000 megalitres over the border every day in a way that is safe and productive.

Mr WHETSTONE: I have one final question; it is hypothetical but I think it is important. You are looking to secure more environmental water for the plan. If the buyback program is not successful, would you give consideration to more on-farm infrastructure programs that will deliver that water?

The Hon. S.E. CLOSE: We have never stopped being supportive of on-farm efficiency infrastructure. They remain one of the ways in which I think we will get closer to the 450 gigalitres. Obviously, it is up for the commonwealth to open up those programs, but what we urged is that we thought the 450 gigalitres should not be excluded from voluntary buyback, but that that is not the only mechanism and on-farm infrastructure is a perfectly respectable way of doing it.

It really is the purchaser's determination about what is the most efficient way. We also, of course, have an interest in what is the most community-sustainable way of achieving the water as well so that we are not seeing too much exodus that would not otherwise be happening. As I say, I think a lot of the exodus that we are seeing and will see is not to do with the Commonwealth Environmental Water Holder, it is to do with other challenges being faced by the irrigators.

Mr WHETSTONE: Have you done any modelling on what is a viable river community when it has water removed from it? What is the point at which you remove economic water for environmental gain? Have you done any modelling that would suggest when enough is enough out of a particular community or a particular part of the basin, particularly here in South Australia?

The Hon. S.E. CLOSE: It is probably a question better directed towards PIRSA in that our main focus is what environmental water is available, and are we doing all that we can do to get the best value from that? I think the challenge that we are facing in Riverland communities is not about how much water is sold for environmental water, it is about how much water is sold out of the state and why people are exiting and what is it that could be done to support people to stay where that makes sense and what alternative ways are there of extracting value from land if it is not grapes to the extent that it is currently grapes, for example.

That kind of economic modelling of impact on regional communities is absolutely PIRSA's work; they are the experts in that, so it is a reasonable question for them but one that we are obviously very connected to because the mantra is that it has to be a healthy, working river, and the working bit matters, in my view. The working bit does not happen if you do not have it healthy, but getting that combined is the trick.

I would say that I think over time South Australia has demonstrated that we are better at this than most because we have understood the need for efficiency, for operating leanly, and we are very sensitive to the health of the Murray because we are at the bottom. So I think we have that more acutely in our focus. Some of the other states over time have been a bit more careless about how much water is used and what is important. These are challenges that I think we all share, regardless of which bit of politics we are in: what is going on for the Riverland community and how can we best support changes that are occurring?

One of those changes is going to be climate change. It is going to be that it is very likely that the southern basin will get drier and drier, and the years that we are having at the moment are really tough across the state with occasional bouncing around. It is not going to get any easier over the next 50 years. Trying to work out the most sensible policy decisions in that context is the challenge. In fact, the commonwealth are currently taking applications for on-farm efficiency measures, so that is good.

Mr BASHAM: Again, on the buybacks and community adjustment programs, where is the business case at that has been prepared by PIRSA and DEW in relation to this? Has it been to cabinet? Has it been submitted to the commonwealth government? When can the irrigation communities get a timeframe of what is expected as a response and delivery of support to those communities?

The Hon. S.E. CLOSE: Yes, that is a project that has been led by PIRSA. I know that a lot of people have been very engaged, and I have had a couple of meetings that I have been part of as well, but I am not sure of the timeline and where they are up to with submitting anything.

Mr BASHAM: Moving to the River Murray commissioner, can the minister explain the reasons for having a commissioner and why is there a need to have one above the existing portfolio roles and responsibilities? Likewise, with the recent resignation of one, why the ongoing need to reappoint and fund?

The Hon. S.E. CLOSE: The intention from the start was to have an authoritative voice that was a little out of politics to speak up for our interests in the Murray. As we all know, in South Australia we are not quite at the whim (but that is the expression that comes to mind) of the other states and Canberra in how they treat our basin. We get to collect the results of their decision-making when the water arrives or does not arrive down here. It seemed to me in opposition, particularly after the royal commission and its fury—which might not be too strong a word—with the way in which the Murray had been treated over the years by the decision-makers out of this state, that we needed to do as much as we could to be heard in a more amplified way.

That was at that time, of course, when the Barnaby Joyce view of what a minister looks like was dominating, and so I sought after the election for Richard Beasley SC to take the role. Having read and enjoyed his book, and seen his action in the royal commission, I felt that not only would he be more than capable of advancing the content of what needs to happen but also he had the approach of being able to draw the eye and attention of people to help amplify our position.

He did that exceptionally well. He was very active in the Eastern States as well as here. He was active with the incoming commonwealth government. In no way do we know exactly how much to give credit to different parties, but he was certainly part of the reform in the way that Tanya Plibersek then undertook that portfolio and identified the need to change the legislation and to get serious about getting water for the environment allocated. He has been elevated to the judiciary. He is now a judge, which is a very fine thing for New South Wales, but it has meant that he has been unable to continue in the role.

We have kept the position and the allocation. I have asked the Chief Scientist to hold the position for now because he is a geohydrologist or hydrologist, and is an absolute legend in that community, and as a scientist, but he is also a very intelligent, thoughtful person, and is a good person to hold the role. Having lived through the experience of the Barnaby Joyce style before, I was uncertain what would happen at this federal election and who we might have in the position as commonwealth minister post election, and therefore just asked the Chief Scientist to hold the role.

We now know that Murray Watt is the minister, so in the immediate term we are not going to be quite going to war in the way that we might have felt necessary had the election result been different. My view at the moment is that we will make a settlement on whether to continue to ask the Chief Scientist to have that role or we seek someone else. I will be in a position to make that decision very soon. Much of the budget supporting the commissioner is about the department being able to support the work that we do on the Murray, including supporting that commissioner role, so that is why I continue to have it despite the elevation of Richard Beasley.

Mr BASHAM: Going to the highlights for 2024-25, I just want to understand the Healthy Coorong, Healthy Basin program, and what is its desired outcome?

The Hon. S.E. CLOSE: This is one we started to touch on earlier that was secured under the previous minister's tenure. I think it was perhaps a quid pro quo for the action that was characterised as a capitulation, but in their case it was done at the same ministerial council meeting that he was allocated money for Healthy Coorong, Healthy Basin, which was some \$78 million. That project is broken up into \$2.2 million for the 2019 establishment phase, and then from that time to the end of June 2023, there was another \$22.8 million, which was about community and First Nations partnerships and scientific trials and investigations, as I was referring to earlier—detailed modelling of the Coorong systems, water levels, salinity, nutrients, and then really looking into the investigation of the options, including whether large-scale infrastructure might make a difference to the health of the Coorong and, as I highlighted earlier, a particular concern about the South Lagoon.

There was \$13.6 million identified for on-ground works at Tolderol and Teringie wetlands, which will be again about increasing that shorebird habitat. Another \$1.3 million was used for monitoring the ecological response in the Coorong to the River Murray flood, and \$11.7 million for on-ground works at Lake Hawdon North, again about increasing shorebird habitat.

I know there was some commentary from the commonwealth, from the federal member, over many radio interviews and I think in the press as well, about why something that was 70 kilometres away from the Coorong would be part of the Coorong, but I think we can all understand that for a bird that has come from Siberia, 70 kilometres is nothing. When they are looking for the right habitat, it is not far to go. In fact, that whole environment is so intimately connected and related that it is quite an odd comment.

Then there is \$26.2 million that is identified for phase two, which is about really developing the designs for this long-term infrastructure. As I said, should it be that the infrastructure that we are seeking is to connect the South Lagoon with the Southern Ocean that will take a significant amount of additional money to achieve. There are different models: there is both in and out or just in one direction. Where do you put pumping stations? What do you do to dunes? There is a huge amount of work to be considered.

Early on, when we were still in opposition, there was the idea that had been mooted—and I have no idea what status it had in government—that there might be a channel cut between the two lagoons. The reason I say that I know that from opposition is that some people down there were very concerned about the harm that would be done. That deep dredging has been regarded as not an appropriate approach. That connectivity needs to be a very subtle connectivity rather than a channel. I do not think a channel was ever seriously contemplated by the department, but I think there were some concerns in the community. That work is still being undertaken and that is the status of the project.

Mr BASHAM: You mentioned the interests of the community. Likewise, I have had recent correspondence in relation to Lake Hawdon, not so much about its distance from the Coorong itself but about the native vegetation removal that has occurred down there. Can the minister elaborate on why such significant vegetation removals occurred?

The Hon. S.E. CLOSE: That is right. This is some native vegetation which, as we were just discussing, is kind of commensurate with when we talk about abundant native species in animal form, whether little corellas or at times kangaroos where, yes, they are native but there are too many of them, and there are too many of them because that particular environment has been distorted by some activity by us and then they need to be brought back. That is the case with the native vegetation that was being cleared in Lake Hawdon. I can imagine that local people might have been concerned to see that, but it is being done with a view to having a much-improved wetland.

Mr BASHAM: Also, getting back to the federal member's concerns down there, is it appropriate that Murray-Darling Basin money be addressing this issue versus funds coming from elsewhere for the work at this site? There might be things within the true basin that others might consider more important than something that is near the site.

The Hon. S.E. CLOSE: Bear in mind that this money was secured under the previous government and was called Healthy Coorong, Healthy Basin. For the Coorong to be fulfilling the role that it fills in the ecological system, it needs to be able to offer shorebird habitat for migratory birds that come from literally the other side of the world. Where there is a challenge to always guarantee that the Coorong is of sufficient health to be able to do that, they need to be accommodated in adjacent and related ecosystems, otherwise they will not be able to keep coming back.

It is a question of not defining the outcomes just in geographic terms but in the ecological outcomes that are being sought. That is why it made a lot of sense. Of course, the flows of the South-East drainage system into the Coorong is part of how we try to keep the Coorong healthy. All of that system, including where Lake Hawdon is as part of the drainage system, is all interconnected. It is not possible to put a hard line, particularly when we are talking about water and particularly when we are talking about the Limestone Coast, because it all moves and it is all connected.

Given the relatively minimal water that is left from pre-European arrival times, trying to keep it in a somewhat functional state requires us to be as inventive as possible in how we spend the money and where to get the best outcome.

Mr BASHAM: Going back to your previous answer in relation to the vegetation, from my understanding of the new Biodiversity Bill, I actually understand where the decision will be made in

the future in relation to what is considered overabundant vegetation. What is the current mechanism for working out who decides that there were too many of them there?

The Hon. S.E. CLOSE: The clearance approval goes through the Native Vegetation Council, so there did have to be an application for permission and the permission was given on the basis that it was improving biodiversity. So the species, known as salt paperbark, it is a melaleuca, needed to go through a process that anyone would have to go through and it was approved on the basis that it was enhancing biodiversity.

Mr BASHAM: My question is who decided before that that it was overabundant and to go and ask the Native Vegetation Council?

The Hon. S.E. CLOSE: The part of the department that is responsible for managing the Coorong and Murray-Darling was the part of the department that was designing the project and identified that this overabundant native species had moved into an area that was actually a niche ecological space that ought to have been used differently, that ought to have had different species populating it, and therefore made the application to the Native Vegetation Council who had the expertise to determine whether that is a reasonable approach and they agreed that it was.

Mr BASHAM: I move on to the remediation and betterment of levees. How many kilometres of remediation of levees has occurred to date along the Lower Murray Reclaimed Irrigation Area?

Ms HUTCHINGS: So far we have undertaken remediation works on seven government-owned levees, through to the end of June, and remediation works are currently in progress for the remaining government-owned levee at Cowirra. The remediation, or the intermediate remediation of two privately owned levees at Placid and Toora is also underway. The remaining privately owned ones are currently out for tender with DIT.

Mr BASHAM: What sorts of distances are done and not done?

Ms HUTCHINGS: In terms of the actual kilometres, I am sorry, I would have to take that on notice. I have got the names, but I do not have the kilometres, but I can take that on notice.

Mr BASHAM: Thank you. Compliance with customer standards for processing of well construction permit applications: the department's compliance customer service for processing well construction permits fell from 90 per cent in 2022 to just 78½ per cent in 2023-24, with only a modest improvement to 80 per cent projection in 2024-25. Can the minister explain how this declining performance is being addressed and to what extent the transition to the mywater platform has caused the delays in processing well permit applications; and what specific systems or operational issues are responsible for the reduction in compliance?

The Hon. S.E. CLOSE: It was anticipated that there would be some challenges in bringing on mywater; that is exactly the reason as given by the shadow minister that has seen that reduction. As we are bringing more people onto the new system we are working out the kinks and sorting it through. But it was not unanticipated; we expected that there would be some challenges in this new system.

Mr BASHAM: Has the minister received any feedback from the irrigation, agriculture and resource sectors in relation to permit approval and the impact of moving to the new system?

The Hon. S.E. CLOSE: There was some concern raised, some time ago now, about being slow to identify carryover and allocate carryover. We then moved quickly to fix that with that feedback. But otherwise, I think people are understanding. There was also a delay in sending out the levies, but we have also fixed that.

Mr BASHAM: When is it expected that we will see compliance return to that 90 per cent benchmark and that the whole transition to the new system is moving smoothly?

The Hon. S.E. CLOSE: It is always difficult to guarantee a time when you are still working out what the challenges are. The department is working as fast as it can; what is happening is, as a problem is identified it is resolved. At some point there will be no more problems that are identified, but they are certainly hoping to move that through as quickly as possible.

Mr BASHAM: What measures have been taken to communicate with users the delays and revised timelines affecting those applicants, and what mechanisms have been put in place to help those applicants if time-critical or urgent permits are needed?

The Hon. S.E. CLOSE: We have stood up a customer service centre in order to be able to respond to people who may be having challenges. Should someone be in a situation where there is an urgency that is not being met through our normal process, we will seek to fix that immediately. That is part of the purpose of the customer service centre. We have also put on the website a disclaimer that if they feel that something is not going right they should get in touch and here is the number, so we are hopeful that we are receiving all of the concerns that people have and addressing them as they come through.

Mr BASHAM: What sorts of staffing increases have been needed in that space?

The Hon. S.E. CLOSE: We seem to be allocating them as need arises. We will see if we can get an average FTE on notice for what is otherwise quite a bumpy number to make sense of.

Mr BASHAM: What internal performance monitoring is in place to ensure that permit process times do not continue to lag during or after the rollout? How is that being—

The Hon. S.E. CLOSE: We have a project plan that is identifying, where concerns arise, how they are addressed and what the sequencing of completing the project is, so that ought to guide the response to your question.

Mr BASHAM: Does the department risk breaching any statutory or regulatory obligations due to the extending processing times during this transition?

The Hon. S.E. CLOSE: Can you repeat the question?

Mr BASHAM: Does the department risk breaching any statutory or regulatory obligations?

The Hon. S.E. CLOSE: I am advised not that we are aware of.

Mr BASHAM: I refer to the South Australian Riverland Floodplains Integrated Infrastructure Program. Given that the budget papers list a completion date of 2026 for the project, can the minister outline which components or stages of the program remain still outstanding?

The Hon. S.E. CLOSE: Again, I will ask Sue to answer that question directly.

Ms HUTCHINGS: Thank you again for the question. Leading up to June 2026, we actually have an operation of the infrastructure that has recently been completed at Qualco Swamp, so we can do some commissioning works there, and also the completion of some modification works to the existing Pike and Tanyaca regulators, which are due for completion in December this year.

Mr BASHAM: There was no funding allocated in the 2024-25 state budget, and there is no funding specifically identified in the 2025-26 budget. Why is there no following year budget item?

Ms HUTCHINGS: As the works have taken longer than originally expected, there has been carryover for that project through a number of years.

Mr BASHAM: In light of the absence across the consecutive years, does that mean there is risk that there will be further delays or not delivering the full targets by the 2026 date?

Ms HUTCHINGS: No, we do not foresee any further delays in that. The project is currently underway and going well.

Mr BASHAM: Moving to program 3, this is something that is very close to my heart: SteamRanger. There has been some very strong concern from the SteamRanger organisation around their bridges. I am fully aware that some commitments were made to support their upgrade and some challenges have been identified in the cost of these upgrades. I understand that the money that was expected to be spent has not been spent due to that. Is there collaboration, firstly, with DIT to try to get this work done?

The Hon. S.E. CLOSE: The shadow minister is absolutely right that there was a significant amount of money identified back in February 2023, which was over \$8 million, to remediate the bridges, three of those bridges being state heritage listed. Just to step back, the department is the

owner of the Crown land. The fact that it has a SteamRanger activity on it, a train activity on it, is because it is under licence to the SteamRanger organisation, which is largely, if not entirely, run by volunteers—amazing people—and therefore it becomes complex when a significant amount of money needs to be spent. The department is excellent but is not technically competent at railway engineering.

Mr BASHAM: Really? I am sure Ben used to play with his little train.

The Hon. S.E. CLOSE: I know. I hate to criticise my department so roundly like this, but I will say that they would probably own it themselves that they are not railway engineers. Inevitably, they need to go to the department that does have the expertise, which is the Department for Infrastructure and Transport.

The group of three—DEW as the owner of the land, SteamRanger as the operators and licence holders and DIT as the expertise holders—have been working through together on what you do when you realise that \$8 million is not sufficient. Quite apart from getting money from the budget if there is more money that is required, what is the business case for how much, where and what the project plan is, so that this is a sensible allocation of public money as well as, of course, supporting this extraordinary organisation in SteamRanger and the great delight and joy of tourists and young South Australians using it.

That has been the process in the last while since DIT identified that there were challenges in being able to deliver for the amount that had been anticipated, working through ways to change it. For example, I recall being told that there is requirement for people who are literally railway engineers to do some works, but other works could be done by someone who is a stonemason rather than someone with that particular level of expertise.

So, are there ways of breaking up the project so that we are not paying for the most expensive version where that is not necessary? That kind of work, as I understand it, is being undertaken, led by the project manager, which is DIT. I am hopeful that we might hear a positive plan forward as the local member for a good part of that stretch.

Mr BASHAM: All four bridges are in my electorate.

The Hon. S.E. CLOSE: Yes, four bridges in your electorate. You will be aware, and the member for Kavel do not be concerned, you are not the only person who is concerned about making sure that there is a good pathway.

It is a challenging situation. The National Rail Safety Regulator is another player, of course, who has to be content that this is a functioning railway. The licence holder, if that is the right term, is SteamRanger. There have been some discussions between the two at times, but the National Rail Safety Regulator is at present satisfied that the status is sufficient. But this is an issue that will need to be addressed. We collectively need the expertise, led by DIT but with the presence of DEW as the landowner—if not the expertise of DEW, at least the presence of DEW—and, of course, the expertise that is held within SteamRanger to determine what that pathway will be.

Mr BASHAM: I am aware that Keolis Downer have been particularly helpful in track management issues. Has a third party like Keolis possibly been approached to look at the bridge work in relation to using that as a training exercise that they do not actually get to do on their normal track maintenance? While they would do work on the track itself, it would be used as a skill lifting exercise?

The Hon. S.E. CLOSE: Yes, and that is a very interesting approach. I believe the engagement with Keolis has come via DIT, so I am not sure what ongoing discussions there are about the way in which Keolis Downer might be able to continue to support. I am happy to take that back to my colleague.

Mr BASHAM: Yes, and I would just like it on the record how wonderful Keolis's work has been—

The Hon. S.E. CLOSE: That is good.

Mr BASHAM: —as a volunteer organisation, in particular to do some major work at really difficult times when they have had instances down there that are well beyond what the volunteers are able to do.

The Hon. S.E. CLOSE: I really appreciate that, thank you.

Mr BASHAM: I am looking at the other heritage aspects in program 3. With the general heritage objectives, the preserving heritage grants, how much money was awarded to the Heritage Conservation Grants in 2024-25?

The Hon. S.E. CLOSE: Is that native vegetation heritage grants, rather than heritage grants?

Mr BASHAM: It is even beyond my glasses in size. We might move on.

The Hon. S.E. CLOSE: We have grants for both of those.

Mr BASHAM: We will leave that. Going back to SteamRanger in relation to grants, one of the challenges with SteamRanger is that they have locomotives, and locomotives do not usually fall under any of the grant programs because they are a moveable asset in some people's eyes. They are not very moveable in most people's eyes, but I understand it is a big challenge for SteamRanger. Has there been consideration given to opening up grant programs for significant heritage assets of South Australia to something like a SteamRanger Locomotive 520, for example?

The Hon. S.E. CLOSE: That is a reasonable question. We do have heritage grants, as you are well aware. We also have government-owned heritage grants because quite a lot of the assets are owned by government, but we do have privately owned heritage grants. I had not appreciated that there was a moveable asset problem, so I will seek advice and look more into whether that is preventing SteamRanger from applying.

Mr BASHAM: They have certainly raised it with me, yes.

The Hon. S.E. CLOSE: I will take it at face value that that is likely to be the case and we will see if there is a way of managing that. It has just been pointed out to me that we have been encouraging them to apply for federal grants. I do not know whether there is a similar restraint there.

Mr BASHAM: It may be another constraint there as well—

The Hon. S.E. CLOSE: It may be.

Mr BASHAM: —which is an unusual constraint. It is not really moveable.

The Hon. S.E. CLOSE: Agreed. It is not highly mobile. It cannot go anywhere; it is stuck with the train tracks, after all. I will look further into that, and I appreciate the feedback.

Mr BASHAM: I am conscious of time, but earlier we mentioned the World Heritage listing of the Flinders Ranges and I am just wanting to understand where that is at.

The Hon. S.E. CLOSE: It is progressing really well. We have just had support from the Adnyamathanha community, which is absolutely essential as part of the process. I think there was a meeting on 14 June, so that has just occurred. What we are now able to do is complete the formal nomination dossier. It will be ready by mid-2025—very soon—and it will go to UNESCO in February 2026.

Mr BASHAM: I anticipate that would lead to worldwide interest in the Flinders Ranges. Is there sufficient infrastructure there now, and has the government thought about what it needs to invest in that region should we be successful?

The Hon. S.E. CLOSE: Yes, absolutely. That is part of the feature of the nomination: to demonstrate the way in which the infrastructure is up for supporting World Heritage status, because although I am sure the Flinders Ranges is reasonably famous already, it will become even more of a tourist spot, which is a wonderful thing. The Discovery company that is running Wilpena Pound is gearing up to lift the infrastructure available there because it is a beautiful place to visit anyway, but also in anticipation of receiving more visitors.

It is one of the reasons that the purchase of the additional lease, the pastoral lease, from the Fargher family that we discussed at the beginning is important, because it is a way that we can manage the visitor experience and the entryway. So we are, where we can, working collaboratively with others and spending our own infrastructure money to make it work. I think there will likely be more private investment coming from how well this will go. When it becomes World Heritage listed—we are hoping that it does—there will be another incentive for private investment to capture the significant visitor uplift that we will see.

Mr BASHAM: Finally, is World Heritage listing for other areas such as the Great Australian Bight being pursued?

The Hon. S.E. CLOSE: There are two others that are currently in contemplation. One, of course, is the Moonta Burra mines, which is being significantly auspiced by the National Trust and the local councils in cooperation. I went and visited fairly recently for the most recent event marking their progress. That one is reasonably well advanced—although not only have these nomination processes always taken a long time but they have now become even more complex with a change to the way in which the nomination is required to be submitted. That will not affect, as I understand it, the one for Nilpena Ediacara, but it will affect all subsequent ones, which will add a significant period of time.

The other, as you mentioned, is the Great Australian Bight. We are in the relatively early stage there, and there are a couple of complexities. Because the bight itself goes into Western Australia the commonwealth prefers—or even requires—that all jurisdictions be engaged, which makes it more complex because you then have to deal with Western Australia as well and see what their priorities are, and they have a World Heritage nomination going right now.

I am very keen to see that nomination go ahead. I think it is a very worthy area, but I do not want to underestimate how long it will take to get all the detail, particularly if—as many people would like it to—it recognises the cultural heritage of the area, which is very significant. We will need to work so carefully with the Aboriginal groups to make sure that is done with free, informed and prior consent.

The CHAIR: The allotted time having expired, I declare the examination of the Department for Environment and Water complete. The proposed payments for the Department for Energy and Mining are adjourned until tomorrow, and the Minister for Climate, Environment and Water's portfolio will continue at 3.45pm.

Sitting suspended from 15:32 to 15:45.

Membership:

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

Departmental Advisers:

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

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

Ms G. Jansen, Manager, Finance and Licensing Services, Environment Protection Authority.

The CHAIR: We now move to 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 an opening statement if she wishes, but I know her policy is to not make a statement. So I call on the minister to introduce her advisers and then I will call on the lead speaker for the opposition to make an opening statement or start questions.

The Hon. S.E. CLOSE: You are absolutely correct, Chair, I will not be issuing an opening statement but I would like to put on the record my gratitude to the people who work in the EPA and to note that it is 30 years young this year.

With me on my right is Gabrielle Jansen, Manager of Finance and Licensing. On my left is Jon Gorvett, Chief Executive, and on his left is Richard Jacka, the CFO.

Mr BASHAM: I would also like to thank the staff for being here for estimates and the work they do in preparation. Certainly it is a trying time getting all those documents together ready for this, so thank you very much to all the staff behind the scenes who have done so for today.

The first question is in relation to the operating expenses. I am wondering about the \$2 million extra that has been spent over what was actually budgeted to be spent in the current year.

The Hon. S.E. CLOSE: I will ask the chief executive to run through those additional expenses.

Dr GORVETT: The \$2 million is partly a function of the rounding that happens in budget papers, so it is actually roughly \$1.5 million. A million dollars of that is related to carryover funding for dealing with hazardous waste that was carried over from the previous year. There was money given from the government's Digital Investment Fund for some IT reform in the order of \$262,000, and there was some money in regard to redeveloping our laboratories similarly carried over from the previous year of \$221,000, but in the budget papers that is rounded up to \$2 million.

The hazardous waste issue is in regard to a number of barrels of hazardous waste from farms and households that was collected some years ago by government as a sort of amnesty scheme, which has not been dealt with but is now being dealt with by the EPA—largely by Mr Jacka, actually—and so that process is dealing with that waste which had been stored previously, but we are now disposing of it.

Mr BASHAM: Following on from that, I am just trying to understand what is the process that will now finalise dealing with this waste?

Dr GORVETT: Dealing with this sort of waste is complex, and there are very few facilities globally that are able to deal with it. We have been going through a process. There are about 111 drums that are left, that have not been able to be disposed of within Australia, which will be shipped to France where they have a facility that deals with this sort of waste. There is a lot of paperwork and bureaucracy required by the Stockholm Convention for disposing of hazardous waste, which we are working through, but it will shortly be dealt with. Certainly, by the end of next financial year we would not anticipate that to be an issue any further.

Mr BASHAM: So there has been money allocated previously to deal with this, and this is getting rolled forward, and so will eventually disappear from future needs?

Dr GORVETT: That is correct.

Mr BASHAM: Moving to single plastics, I refer to Budget Paper 4, Volume 2, Agency Statements, page 172, key agency outputs. Has the government work in place to find alternatives to plastic soup containers and other containers that are getting banned in the single-use space that are being found to be more challenging than people may have thought—particularly me spilling my first lot of soup all over me after I got a paper container of soup?

The Hon. S.E. CLOSE: It is at times what looks like an awkward split of policy. This is more of a GISA question than an EPA question, although it is understandable why it would come up here, so we may go back to it when GISA is with us.

Mr BASHAM: Sure.

The Hon. S.E. CLOSE: Yes, this trend of getting rid of single-use plastics has a lot of support from consumers, from the public, but only to a point where they are not having to presumably pay a lot more, which we have managed to avoid, but also that they are still able to have the convenience afforded.

One of the challenges for us is to encourage people to think about not having single use of any sort, even if it is a compostable container, but to start to bring your own container that you can then wash and use again. So that shift, I think, is one that will be of great significance over time where there are unsatisfactory alternatives to single-use plastics when you are still thinking in single-use terms. Whether it is that we have had to accept using the square clear plastic containers that are

then recyclable but are still single use, or whether it is difficulty in finding alternatives to some single use, the answer that we need to increasingly be building into people's thinking is that they should be attempting to avoid single use altogether. Bring your own coffee cup instead of using a compostable one, for example. We may traverse in some of the detail about managing those hot soup containers when we have the GISA people who are very involved in working out alternatives.

Mr BASHAM: I guess this is a tricky area in where it sits. This may be a Green Industries question rather than here, and if it is I am happy to ask it then. I guess the complication of using multiuse containers is whether they are clean enough to take a product, etc. Something that is certainly from my history is milk bottles, for example, glass milk bottles. The sheer cost in actually making sure they are clean made it uneconomical and unenvironmental to use glass milk bottles. So the challenge of multiuse containers is not as simple as that either. Is there work being done to understand what can and cannot be used? Milk is one of those things that was great at growing stuff, so it is one of the bigger risk products. I imagine there are other similar things.

The Hon. S.E. CLOSE: Yes, there is that question of consumer responsibility if they want to re-use. We changed the law—and I say we, but I think it was initiated in the Legislative Council by the Hon. Mark Parnell, so a significant period of time ago and I was not in this role—to allow for people who run a cafe to not be liable if someone is giving them a container that is not entirely clean; the liability is on the customer doing that. That was to facilitate cafes and takeaway places being more willing to accept containers.

The milk bottle question is an interesting one because part of it is about weight as well when we are talking about transport. I think it is the Fleurieu Milk Company that has been working on getting people back into using bottles and bringing them back, but there may have been some more concrete qualitative and quantitative analysis done by GISA that we can traverse in the next time slot. But, otherwise, the points that you are making are reasonable ones that we are all wrestling with as we move to a more sustainable circular economy.

Mr BASHAM: Staying on containers, I have questions around the container deposit scheme. The state government's review of the scheme commenced back in 2021 and has established strong economic environmental evidence to support the inclusion of other containers being included in the scheme. Community consultation has also received strong support for some things. Where is the minister and the department in relation to what can be done to change the container deposit scheme?

The Hon. S.E. CLOSE: There are two elements to the reform that was contemplated, I think, back in 2021. The first was the way that the scheme is managed, because although we are rightly proud that ours is the oldest scheme, it also means it is the oldest scheme and so therefore perhaps is not as fit for modern times as some of the newer schemes that have been introduced interstate as they have finally caught up with us. The second element is that question of scope: is the range of beverage containers currently covered all that we will ever do as a country or will we expand scope? The ones that are most frequently raised in that context are wine and spirit bottles, because glass is so magnificently recyclable back to its original purpose, as long as it is not shattered and split and put through the recycle bin, the yellow-top bin, contaminating cardboard and not being much use for proper recycling.

On the first element, we are increasingly getting closer to having a piece of legislation to do some tweaking to our scheme to make it a bit more modern and responsive to new technology, new entrants in the market and new ways of running the system. The second, the question of scope, had been viewed as something that needed to be nationally consistent. One of the great things about the other states finally catching up with having the container deposit is it is much easier for industry to not have to worry about different labels for different states and to have the products being in common everywhere.

That national harmonisation, as usually happens in our federation, is challenging. While all environment ministers had said, 'Yes, we will do this together,' not long after one of those meetings where we said that Queensland put a deposit on wine, and 50 per cent of the wine they drink, I am told, is South Australian wine. That means there are quite a lot of South Australian producers who have been affected by that.

My view, particularly given the sensitivities around the wine industry—things are getting better with China now, but back then they were pretty bad, and there have been other challenges, including smoke taint as a result of the fires, then the floods through the Riverland—has always been that South Australia would not go this alone. We would not be the only state to add a deposit to their bottles, but nor would we be the only one to sit it out, because they will be so affected by all the other states that it would be foolish for us to hold out against.

Since the jump by Queensland, the Northern Territory has said that they will introduce it. Again, while Western Australia said, 'Let's at least the rest of us do this together if we are going to do it,' they then announced in their election campaign that they were going to do it. That now does put the question mark over what the three big wine states—and two of them big population states—New South Wales, Victoria and South Australia, will do.

We are in active discussions about that. It seems to me that the most important motive here is to ensure that simplicity is the name of the game for industry. The public definitely wants to see container deposits spread to other beverage containers, but industry needs to not suffer through that, so we are in active discussions at present with the other states about that.

Mr BASHAM: Moving to algal bloom, again this is a topic that is challenging in where to actually raise it, whether it should be before or now. I want to understand the EPA's role in the most recent algal bloom, and what has the EPA been involved in in their role with the blooms that have been happening off our coasts, and maybe even also in the river itself, if they are involved in any way in that?

The Hon. S.E. CLOSE: I will invite the chief executive to give some more detail on this, but there has been a complexity of different agencies having different roles to play, which is why we have had a couple of those round table meetings and why they now have a working group across agencies. It does not have to have politicians involved. Clearly, PIRSA has a very significant interest and SARDI has a great deal of expertise.

The environment department has been intimately involved, not least because it was suspected, although ultimately found not to be the case, that there might have been an involvement with some kangaroo deaths, for example. The environment department is generally looked at when there is an environmental problem, even if they have no particular jurisdiction or responsibility. Probably the least involved in some ways is the EPA, where some water testing had occurred, and I will turn to the chief executive in a second.

The final agency that has a significant engagement is SA Health, because naturally the question becomes: what does it mean for humans? So their engagement has been very significant. The testing regime has largely been driven by PIRSA and SARDI, but there has been some testing done by the EPA, so I will turn to them.

Dr GORVETT: As the minister said, particularly when it is a naturally occurring event, there is some complexity about state government ownership. I would characterise the EPA's interest as being in regard to establishing that we do not have a regulatory responsibility. If it were the case that this was caused by a pollution event from human activity, whether that be some dumping at sea or run-off from the land, for instance, then the EPA would have a regulatory role in terms of remedying that.

When we were first informed about the algae and the impacts it was having on people at the beaches down at Waitpinga in the first half of March, we went down to investigate and take samples, which we shared with SARDI. We went through the testing process hand in hand with SARDI, because at that stage they were also interested as to whether it is a communicable disease issue and both of us have an interest in establishing: can we understand what the cause of this is; is there a regulatory role for us?

Under the Environment Protection Act, we do not have a regulatory responsibility here because it is not a pollution issue, but in order for us to establish that we have to be part of the testing process. We do have capability, as the minister mentioned, in terms of marine biologists, and so on, who are able to support that cross-government effort. So I think our ongoing role has been in providing technical support and advice to PIRSA, who have great capability in that space in any case.

Our initial interest, when it is reported to us we have an obligation to find out what is happening and whether we have a regulatory role. So that would be how I would sort of characterise the EPA's involvement.

Mr BASHAM: Thank you very much for that. I have a question about whether you should be involved going forward. I had an algal expert, who had worked significantly in China, for the Chinese government, in particular in algal blooms, come and speak to me and was very much highlighting how plants and algae rely on nutrient to bloom, to do well. With her knowledge from the work she had been doing in China, in particular, she was feeling very confident that the 2022 flood may have had a significant impact on bringing a nutrient load out into the areas from Goolwa through to Kangaroo Island, which then led to having that load sitting there until the conditions were right to bring it back to the surface, and hence the bloom bloomed.

How and what do we need to do to understand what is entering the river upstream, in the upstream states in particular, and what is coming out at the bottom, particularly in a flood environment, and can we do anything to minimise that effect going forward so we do not see these blooms into the future?

The Hon. S.E. CLOSE: I guess this is technically straying a little from the papers, but I would like us to discuss this because it matters. The advice that I have been given from the joint working group that has been established across the agencies, is that there are three circumstances that all came together that led to this bloom not only existing but being so serious and persistent. One is indeed the nutrient loads, the second is the marine heatwave that we were experiencing and then finally that series of highs that meant that there was just no churn in the water to disperse it.

With the nutrient load, there were two sources, one being the significant flow down from the river as a result of the floods and then the upwelling of cold water that occurred that brought a whole nutrient load up from the bottom, some of which may indeed have come down in the flood, as you have indicated.

The challenge, though, is identifying that nutrient load as being somehow pollution, or a fertiliser and so on that ought not flow in, I am certain that there is an element of that that occurs. But the reality is that there was a lot of organic matter that swept down the river that is naturally occurring organic matter. It is just that in a flood it picked up a lot of vegetation, churned up a lot of the bottom of the river, pushed out a whole lot of fish as well, and just pushed all of that out into the sea and fresh water in a way that is very unhealthy at that volume for the marine environment. That nutrient load in itself may occur again. There may be another flood, there may be another upwelling that brings up deep-sea nutrients at some point.

The problem I see is that those three circumstances might occur again, because all three are consistent with climate change, with the more energetic atmospheric conditions that prompt flood in the Eastern States, that prompt the upwelling because of the change in the subtropical ridge off our coastline. The heatwave is still an off the continental shelf heatwave—it is about 2° warmer than it should be once you get off the continental shelf—but at least it has returned to normal now in the gulf waters, and that series of highs is again a feature of what would be expected under climate change.

The additional thing that worries me is not only are those three preconditions possible to occur again but that as the algal bloom breaks down some of the dinoflagellates will move into their next life cycle, which is that they become effectively inert—known as 'cysts'—and asexual and fall to the bottom and wait for when those conditions come back. The fact that we have had a lot means that there will be a lot waiting, which makes it more likely when the conditions re-emerge that they will be reinvigorated.

It is why we had a conference of some 80 scientists, national as well as state, to look at what we need to research to understand what could be done or what would be the implications. It is why we have the working group, because this is not necessarily something that comes and goes and we never see it again.

Mr BASHAM: So is the EPA doing any extra work in monitoring what is coming down the river to try to understand if there is any load, or likely to do any work in that space?

The Hon. S.E. CLOSE: The environment department is responsible for monitoring water in the Murray and also in the Coorong, so they would be the keepers of the information about whether we see spikes of nutrients coming down as well. However, the EPA does routinely monitor the water quality off the metropolitan coast and therefore is in a position to keep an eye on what is happening off our coastline. That is because of pollution being likely to come off the metro coast.

Mr BASHAM: The metropolitan coast versus the Murray itself: is there any monitoring of Goolwa/the Coorong to understand what is happening there as far as whether any pollution is coming?

The Hon. S.E. CLOSE: The EPA is only responsible for the stormwater SA Water outflows and monitoring—

Mr BASHAM: So it is not monitoring any natural streams, per se?

The Hon. S.E. CLOSE: DEW is doing monitoring and PIRSA will do spot monitoring: as they detect that there are, say, fish kills and so on, they will take an interest in that.

Mr BASHAM: Moving to the highlights of the agency, what measures has the department taken to incorporate climate change capability?

The Hon. S.E. CLOSE: I was going to say 'as a result of the change in legislation' to make it explicit that the EPA is responsible for regulating, in a sense—it is part of its regulatory environment to consider climate change—but in fact we believe that it was implicit already in the legislation and we were just putting it beyond doubt when we made that legislative change.

Nonetheless, having had that change and also having been successful in increasing the budget allocated to the EPA to be able to be responsive, we have been involved in developing a statutory environment protection policy for climate change, which will help secure the objects in the act that were amended a couple of years ago.

We have established reference groups for targeted stakeholders including for government and industry, including separate groups for high emitters, professional stakeholder bodies, and primary industry and environment NGOs. There has been a discussion paper and supporting resource guide to inform the scope of the environment protection policy for climate change. It has been approved and is looking at exploring the policy options associated with requiring climate change mitigation plans and climate change adaptation planning.

The authority itself is developing its climate change capabilities. We have added Julia Grant to the EPA Board, who has expertise in climate change, and it is engaging in targeted recruitment across the organisation to assist with the integration of climate change considerations into its core business. As I said, this was because of the successful budget bid in last year's budget. That capability uplift in being able to acquire more people will support the scoping and subsequent development of the climate change environment protection policy as well as providing technical capability during assessments, licensing and compliance functions that are provided by the EPA.

Mr BASHAM: How is the EPA supporting local government in relation to local government management of illegal dumping, local nuisance and waste management issues?

The Hon. S.E. CLOSE: I will ask the chief executive to talk about engagement with local government on this.

Dr GORVETT: We entered into a new heads of agreement with the Local Government Association last year. I actually met with Clinton Jury just last week, the Chief Executive of the LGA, to talk about how we take forward our relationship with local government in this space. Obviously, there is a lot of shared custodianship, I suppose, of environment protection regulation. Councils have responsibilities under our act and have powers that they are able to use. We are seeking to work more closely with local government and with the LGA in terms of how we can best support them in that space.

The way that we tend to work at the moment is that, when councils have a particular issue, particularly in regard to technical concerns in regard to the measurement of noise or odour and so on that they do not necessarily have the expertise to deliver themselves, then they will contact us.

We are very happy for our science team and our experts to work with them on how to understand that. Those relationships tend to be slightly informal, although they are covered, as I said, by a heads of agreement between the EPA and the LGA on support. I do not know whether you had any specific instances in mind?

Mr BASHAM: Nothing in particular, but light, for example, is an issue as well. Is that something that the EPA would assist a council with, determining whether light is a nuisance?

Dr GORVETT: Yes is the short answer. We are happy to work with councils who do not feel they have the full capability to do that. Obviously, there is a huge range in the size of some of our local government entities and the amount of resources they have to apply to these things, so where we can support them, we are happy to do so.

Mr BASHAM: It certainly is a challenging space, particularly nuisance. I very much reflect on a letter I received as minister for fisheries from someone who lived a couple of ks inland who was complaining about people crabbing at night on the beach. I wanted to write back by a blind, but my Chief of Staff would not let me. It is a challenge at times. Can we now look at the budget in relation to continuing the circular economy project. Can we delve into that, understanding how that project is progressing and what is being achieved in the circular economy project.

The Hon. S.E. CLOSE: What page are you referring to? That is language that is usually GISA's.

Mr BASHAM: Yes, it certainly is. I am happy to leave that, sorry. Maybe I have even turned a page to somewhere I am not meant to turn.

The Hon. S.E. CLOSE: If it is on a page for the EPA, then—

Mr BASHAM: No, I think I have flicked one too many pages in my folder, sorry. Does the government have an ongoing interest in diverting food and organic waste from landfill, and what is the government doing in that space to try to achieve it?

The Hon. S.E. CLOSE: We do, and that is very much a shared responsibility across the EPA and GISA in the sense that there are certain requirements on councils, such as in metro Adelaide, picking up waste bins, offering to pick up waste bins weekly. That is held under Environment Protection Authority policy where GISA is using what grant funds it has available to help assist councils to trial different ways of increasing the collection of food and organic garden waste from households, also hopefully more and more with commercial operations.

There is a challenge in that we have an excellent composting sector, I would venture to say the best in Australia, where we are able to produce high-quality compost from FOGO material and many councils in metropolitan Adelaide are determining whether it is feasible to encourage a greater amount of FOGO to be recycled or to be put into the green waste bin by offering to collect that weekly, and in collecting that weekly what implications that has for their finances and whether they can afford to continue to offer weekly metropolitan rubbish bins. That is a complex policy area. The people of Adelaide many years ago were very concerned at the idea of not having a right to have a weekly pick-up for rubbish. I appreciate as someone living regionally that—

Mr BASHAM: Every other week.

The Hon. S.E. CLOSE: Exactly. People who live regionally tend to be a little mystified by that, but the truth is that it is most councils across Australia where metro councils do offer the weekly pick-up, and there has certainly been a view in Adelaide that that is necessary to at least have on offer.

I find it slightly frustrating—I know that I am an old man shouting at clouds on this—that the fact is you can put your FOGO into the green bin and have it collected fortnightly. There is nothing wrong with having that waste in your bin for up to a fortnight, and many people do it. Nonetheless, there is a view that to get to a higher level it needs to be a weekly pick-up, and that is the ongoing challenge.

A number of trials have been funded through GISA to work on ways in which that can be facilitated without disrupting people's expectations of bin pick-up. As I say, the EPA connection here

is that they hold the Waste to Resources Environment Protection Policy (EPP), which is a legal instrument. So, while they are working on that, Green Industries is working on how we assist in increasing the amount of diversion away from landfill. It is something like 40 per cent of Adelaide's waste bins that go to landfill by weight. Is it FOGO that could be turned into compost? That is the question: how do you change that?

Mr BASHAM: My understanding is the EPA collects revenue from the solid waste levy. Is that correct?

The Hon. S.E. CLOSE: The government does. It gets moved around in various places including the EPA.

Mr BASHAM: What is the revenue that the EPA receives from that levy?

The Hon. S.E. CLOSE: The amount of the waste levy that is then given to the EPA is about \$54 million in a year. We are expecting to hit about \$54 million this year for the amount of waste levy that is allocated to the EPA.

Mr WHETSTONE: I will read the omnibus questions:

1. For each department and agency reporting to the minister, how many executive appointments have been made since 1 July 2024 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 2024 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 2024?
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 2024, 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 2025-26 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 or agency reporting to the minister, how many surplus employees are there in June 2025, and for each surplus employee, what is the title or classification of the position and the total annual employment cost?
7. 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?
8. For each department and agency reporting to the minister, what savings targets have been set for 2025-26 and each year of the forward estimates, and what is the estimated FTE impact of these measures?
9. For each department and agency reporting to the minister:
 - (a) What was the actual FTE count at June 2025 and what is the projected actual FTE account for the end of each year of the forward estimates?
 - (b) What is the budgeted total employment cost for each year of the forward estimates?

- (c) 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?

10. For each department and agency reporting to the minister, how much is budgeted to be spent on goods and services for 2025-26 and for each year of the forward estimates?

11. For each department and agency reporting to the minister, how many FTEs are budgeted to provide communication and promotion activities in 2025-26 and each year of the forward estimates and what is their estimated employment cost?

12. 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 2025-26?

13. 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 2024 and budgeted expenditure for 2025-26, 2026-27 and 2027-28.

14. For each grant program or fund the minister is responsible for, please provide the following information for the 2025-26, 2026-27 and 2027-28 financial years:

- (a) Name of the program or fund;
- (b) The purpose of the program or fund;
- (c) Budgeted payments into the program or fund;
- (d) Budgeted expenditure from the program or fund; and
- (e) Details, including the value and beneficiary, or any commitments already made to be funded from the program or fund.

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

- (a) Is the agency confident that you will meet your expenditure targets in 2025-26? Have any budget decisions been made between the delivery of the budget on 5 June 2025 and today that might impact on the numbers presented in the budget papers which we are examining today?
- (b) Are you expecting any reallocations across your agencies' budget lines during 2025-26; if so, what is the nature of the reallocation?

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

- (a) What South Australian businesses will be used in procurement for your agencies in 2025-26?
- (b) What percentage of total procurement spend for your agencies does this represent?
- (c) How does this compare to last year?

17. 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?

18. How many procurements have been undertaken by the department this FY? How many have been awarded to interstate businesses? How many of those were signed off by the CE?

19. 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?

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

The CHAIR: The allotted time having expired, I declare the examination of the Environment Protection Authority complete.

Departmental Advisers:

Mr J. Wheeler, Chief Executive, Green Industries SA.

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

Ms M. King, Acting Associate Director, Governance and Business, Green Industries SA.

Ms J. Wundke, Manager, Policy Reform.

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

The CHAIR: We are now examining the portfolio of Green Industries SA. The minister appearing is the Minister for Climate, Environment and Water. The proposed payments remain open for examination. I know the minister will not make an opening statement but I will give the minister an opportunity to introduce her advisers and then I will allow the spokespersons for the opposition to either make a statement or ask questions.

The Hon. S.E. CLOSE: Thank you very much, Chair. This is our last one today. I have no opening statement other than to thank the great people of GISA who do an outstanding job and also have put significant effort into preparing for today, as do all the public servants.

I have with me on my right Michaela Heinson, Associate Director, Economic Growth and Sustainability. On my left is Josh Wheeler, Chief Executive, and on his left is Marissa King, Acting Associate Director, Governance and Business. Behind us we have Jessica Wundke, Manager of Policy Reform, and Catherine Yin, Manager of Finance.

Mr BASHAM: Likewise, I would like to thank the staff for all the work they have done in preparation for today and for those who are here today supporting the minister in estimates. I refer to Budget Paper 3, Budget Statement, page 23, table 2.6, operating expenses. Can the minister please explain the significant larger increase in spend of \$31 million over the current financial year? It was budgeted to be \$31 million but the spend was \$62 million.

The Hon. S.E. CLOSE: The increase in total expenditure is related to the advanced soft plastics recycling project, which is \$14 million. That is money that has come through from the commonwealth and going out to the company called Recycling Plastics Australia in Kilburn. It is a very exciting project to be able to recycle film plastic, because after the whole REDcycle debacle people are very stressed about not being able to recycle soft plastics. It is very hard to go shopping and entirely avoid buying them. This project is a really exciting one. That was money that came through.

Then there is the carryover of committed but unspent funds from the previous year, which include grant programs such as the National Partnership on Recycling Infrastructure and, of course, expenditure on the River Murray flood clean-up program.

Mr BASHAM: Going to the forward estimates, there is \$32 million for the first year and then dropping to around \$23 million or \$24 million for the subsequent years. Can the minister outline why the reduction?

The Hon. S.E. CLOSE: This is a bit like the conversation we were having with the DEW money where, as you get along in the forward estimates, you do not have anticipated additional projects but quite often they will happen, such as a big grant for a South Australian company for soft plastics recycling, so we go back essentially and sometimes there will be an additional lift. I hope there is not one because of a disaster clean-up, because that is the last time that we had a big lift from the previous year in cleaning up the flood. That can cause that. It is the same when there are time-limited projects: they appear, they disappear, sometimes others will appear.

Mr BASHAM: Moving to the fund itself, what is the current value of the Green Industries fund?

The Hon. S.E. CLOSE: The actuals as at 31 May this year is \$72 million.

Mr BASHAM: Is there an expectation that that is going to change significantly between now and then?

The Hon. S.E. CLOSE: It will continue to grow unless we receive expenditure authority to spend more and so that would appear in future budgets. Occasionally, we will put in budget bids to be able to spend more than the existing amount that we draw down, and then it would drop again, but because it is hypothecated it will stay in the fund until there is a reason to spend it.

Mr BASHAM: What was it on 1 July last year?

The Hon. S.E. CLOSE: In 2024, it was about \$56 million. It has been pointed out to me that money will also come in and be reimbursed for the flood clean-up from the commonwealth, but that is what it was at the end of financial year last year.

Mr BASHAM: Does Green Industries SA pay out funds to groups in any other way besides grants?

The Hon. S.E. CLOSE: There are occasions when we will employ contractors or organisations to undertake a piece of work for us, but otherwise it is grants.

Mr BASHAM: What sorts of examples are there of that sort of expenditure?

The Hon. S.E. CLOSE: The flood clean-up, for example. We might employ a consultant. Rawtec is a consultancy organisation that we might use to do some research, there is the Plastic Free SA organisation that we contract to do work with retailers on how to remove plastic from their offerings, and KESAB gets money periodically to undertake education works primarily. So there is that mechanism of expenditure as well.

Mr BASHAM: Just a bit more on the programs and projects: what has been paid out of the fund in the 2024-25 year? What projects have been funded?

The Hon. S.E. CLOSE: The grants are all available on the website. You can see which organisations have received grants. Also, the business plan is published on the website that gives this. It is just that there is quite a lot, so it is difficult for us to go through all of it now, but there are a number of programs and projects that are undertaken through the expenditure, but it is all pretty easy to see. I think the business plan, particularly, is a good place to look through that.

Mr BASHAM: Are the moneys that are paid into the fund adequate, noting that under the Green Industries SA Act the minister must review annually whether the amount going in is sufficient?

The Hon. S.E. CLOSE: It is adequate in the sense that there is more money resting in the fund than we spend, so we do not spend everything that comes in each year. There is a reason to allow that to build up to a degree because every so often there will be a big call, so half of the money that was spent on disaster waste clean-up came from GISA. There will be calls, I suspect, in the future associated with climate change. It is part of the rationale for expenditure in the act so we do need to have sufficient funds sitting in the fund to be able to meet those unexpectedly rich expenses. In terms of the functioning and operation of GISA, there is enough money, a satisfactory amount of money, available.

Mr BASHAM: The review of adequacy of the fund: is that something that is done on an annual basis? It says 'at least annually', or is it done effectively on a day-to-day basis as the world changes? What is considered when a review is done?

The Hon. S.E. CLOSE: There is a review that is done each year. It is aligned to the timing of the business plan, and so I am given advice by GISA about the adequacy of the fund to be compliant with the legislation, and that incorporates what expenditure authority has been given, what income is being put into the fund, what revenue is there and the adequacy of the two. When something big happens, like the flood, obviously Treasury is sitting behind all of this and determining what allocations are required, what money is coming from the commonwealth and, once there is a decision about how much needs to be allocated to such a clean-up, where that comes from, and whether the fund can sustain it. In this case, it could, so it was taken from there, but that is always a consideration about where such a big amount of money would come from, and there is an expectation that we will preserve enough to be able to meet those needs.

Mr BASHAM: Speaking of the Treasurer, does the Treasurer make directions on the investment of the money in the fund outside the requirements of the fund?

The Hon. S.E. CLOSE: The Treasurer is able to direct how it can be invested, and GISA is similarly able to request that it be invested in a certain way, but would need the Treasurer's approval for that. But at present it sits in a fund earning interest.

Mr BASHAM: Moving to Agency Statement, Budget Paper 4, Volume 2, page 181, key agency outputs, what programs is GISA developing towards the future?

The Hon. S.E. CLOSE: There is a draft waste strategy. It is still called the 'waste strategy' even though we do not like the word 'waste'. That is why I was just double-checking, but I think the act requires us to call it that. We would like to call it more of a circular economy strategy. In any case, there is a draft strategy out at the moment that indicates the directions that we want to take programs in the future, so that is a good place to look.

Otherwise, the annual business plan will forecast what the next effort is going to be. For some time there has been an emphasis on FOGO, the food, organic and garden material that we were talking about in the previous discussion. There has also been a building interest in supporting the circular economy and, again, the effort to reduce single-use plastics has been a very big effort. The business plan can better guide where our immediate intentions are, and the draft strategy that is out for discussion looks at where we are aiming to get to.

Mr BASHAM: Certainly, something I have seen occurring with waste collection by councils, for example, is the challenge of narrow streets in some suburbs, etc., which requires the collection of waste by the truck reversing up the street to collect one side and then reversing out to collect the other side. Has GISA worked with local government to try to change habits of people and maybe look to place everyone's rubbish bin on one side of the street versus the other? Has that sort of work been done to minimise movements of rubbish trucks to provide a saving of costs as well as use of fuel?

The Hon. S.E. CLOSE: I do not think there have specifically been discussions with local government about their collection routines, but there are discussions with Planning and Land Use Services on the way in which we design waste and recycling into the way that developments are designed. With mixed-use dwellings, where we have a number of different users, making sure that there is adequate space for trucks to do the pick-up but also for the bins that allow for sorting is something that GISA also contributes to consideration of.

Mr BASHAM: In that bin development space, is work being done to look elsewhere in the world possibly where single-truck movements can do multiple bin collection type of work, etc.?

The Hon. S.E. CLOSE: We do look across the world, I am advised. The main issue is to ensure that there is not cross-contamination. There was that kind of split-bin system that did not work and is not a good idea because contamination then defeats the entire purpose. Council modernisation grants are the stream that we use to help councils deal with all of these issues, so if they come up with, 'We think we can have more efficient truck movements if we spend this money on infrastructure,' then that is exactly the kind of grant that is suitable to achieving that.

Mr BASHAM: How do we make sure that it is a collaborative approach? We have got a very set system now of red/blue bin, yellow bin and green bin. If we are looking at working to a better alternative going forward, how do we make sure that we are engaging with councils across the board to make sure it works for all into the future?

The Hon. S.E. CLOSE: In both the waste EPP that we were talking about with the EPAs there is a protection policy and in the draft waste strategy that GISA is running there is a recommendation of the harmonisation of the three bins so that everyone has a consistent approach. Both of those are extensively consulted on with local government. Of all of the areas of business that we have been discussing over the course of today, that I am fortunate enough to be involved in working with, it is those two agencies, and particularly GISA, that do the most consultation and discussion with local government, because without local government there is no delivery of much of what we want to achieve. It is that deep partnership that occurs. We try to line up consistency

between councils, but also allowing different circumstances for councils to allow that variability where that suits.

Mr BASHAM: You mentioned before the plastic project that is currently being funded. Can you just go into a bit more detail of what the vision is with the soft plastics project and what sorts of outcomes we are expecting?

The Hon. S.E. CLOSE: The Recycling Plastics Australia project, which is entirely funded by the commonwealth government and the company itself—I was fortunate to be allowed to go to the press conference, because we had not put money in, except that it is only really through the agency of people in GISA that these things get hooked up together and it works, so that is the great gift that they have. The project is designed to be able to get soft plastics recycling using European technology, so it does not exist in Australia, but it does exist in Europe where it is able to be recycled to a high quality so it can be reused as soft plastic, rather than degraded down into pellets that are used for building materials and so on. That is what is exciting about it.

The challenge that then is put on all of us is how do we get soft plastics to a company like that, and the collection mechanism is something else that GISA has been working on for some time. The red cycle approach was that you go to the supermarket and you drop it into a bin. That is an okay way of collecting, it is a place that people go and put it in. An alternative approach is that there is somehow a distinguishing way to put it into the yellow bin that does not then mean that it ends up messing up the materials recycling facility, because if it just goes in and starts being mixed up with all of that then it contaminates the load. Normally, you should not put soft plastics into the yellow-lidded bin.

We have done a trial, which has occurred in a couple of other states as well—I think New South Wales springs to mind and a couple of others, perhaps—in partnership with the commonwealth, and some councils here decided that they wanted to be part of it. The trial asked: if you put your soft plastics into a very bright, distinctively coloured bag and then it goes into the yellow bin but it gets pulled out because it is distinguishable, is that a way of collecting? That trial has been going on for some time.

Whether it is done through kerbside recycling and working out a way to take it out of the recycling collection or whether it is done through some kind of centralised point which, as I say, under REDcycle was supermarkets, we have to find a way of doing this. I think they have finally petered out now, but for a while the most correspondence I was getting on any single topic was on soft plastics. People were rightfully enraged that they were not able to take their soft plastics somewhere and know that it was going to be re-used in some way.

I think when REDcycle was operating, something like 25 per cent of what they were collecting came from South Australia. Given that we have under 8 per cent of the population, that just shows what keen recyclers we are in this state. That explains also the question: 'What are you doing to fix this?' We are working on what the best methodology is.

We are hoping that we will also be able to accept interstate material with this Recycling Plastics Australia plant once it is up and running, which we are thinking maybe will be in April 2026. Given that it is a private company doing it, I do not want to hold them to a particular date, but we are thinking it will be early next year that that will be ready, so we need to be organising what we think is the best way of collecting.

Mr BASHAM: So that will be meeting not just the quantum that is coming from South Australia but there is capacity for that from elsewhere?

The Hon. S.E. CLOSE: That is the hope and expectation. I am not sure what its capacity limit will be and how much it will be able to take from other states, but it is certainly on the radar to be able to do that. I presume these things are also modular, so it is a case of how far do you drive something that is very light but can be bulky and still make it ecologically and economically sensible to bring it to South Australia. All of that will be ironed out by the company as well as by us.

Mr BASHAM: I refer to the circular economy and Green Industries development on page 182 of Volume 2. When is the South Australian strategy under the Green Industries SA Act to transition to a circular economy 2025-30 being released? Is that being released?

The Hon. S.E. CLOSE: That is the same document we have been talking about. It is officially, legally known as the waste strategy because it is required to be, but we have put a little extra heading on it, because what we really want it to be is 'transition to a circular economy'. That is the same one; it is out for consultation at the moment.

Mr BASHAM: I understand there are some significant players in managing—Peats Soil, for example, comes to mind. It is a wonderful company, but they do get complaints from near neighbours sometimes because of what they do. How do we combat that, and is there something that can be funded to help that business operate in an environment and make sure that they are minimising the effects of smells, etc?

The Hon. S.E. CLOSE: The EPA is the compliance authority for those smells that can occur. Even though it is a virtuous effort to make compost, nonetheless there is a requirement to comply with the legislation, obviously. What we were just discussing is that when GISA give grants to organisations to set up that kind of project or to add to it, they check with the EPA that what the company is doing is compliant so that we are not funding companies to do something and then the EPA comes and says, 'You can't do that.'

So there is an element of collaboration there between the two government agencies, but it is possible to make compost in a location—the location is all—and in a manner where it is well managed. You may be aware that there have been ongoing questions in cabinet, too, about Neutrog. The engagement is not about saying it is impossible to do this: it is about the height of the stockpile, stockpile management, use of water, enclosing space and that kind of thing. It is just about constantly making sure that companies are aware of the best way they can do it and that they are complying with the law.

The CHAIR: The allotted time having expired, I declare the examination of Green Industries SA complete and that the examination of the proposed payments for the Department for Environment and Water and the administrative items for the Department for Environment Water be adjourned and referred to committee B on Tuesday the 24th.

I advise the committee that, in response to a question put to me earlier this morning, for matters where the minister has a conflict of interest, I have written to the Speaker and he has given permission for those matters to be referred to committee B next Tuesday and responded to by the Attorney-General. I would like to thank the minister, her advisers and members of the committee for their attendance today.

At 17:01 the committee adjourned to Friday 20 June 2025 at 09:00.