

**HOUSE OF ASSEMBLY**  
**Wednesday, 22 July 2015**  
**ESTIMATES COMMITTEE B**

**Chair:**

Mr L.K. Odenwalder

**Members:**

Ms N.F. Cook  
Ms A.F.C. Digance  
Mr C.J. Picton  
Mr D. Speirs  
Mr P.A. Treloar  
Mr T.J. Whetstone

*The committee met at 10:00*

*Estimates Vote*

**DEPARTMENT OF ENVIRONMENT, WATER AND NATURAL RESOURCES, \$155,185,000**  
**ADMINISTERED ITEMS FOR THE DEPARTMENT OF ENVIRONMENT, WATER AND**  
**NATURAL RESOURCES, \$19,083,000**

**Minister:**

Hon. I.K. Hunter, Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Climate Change.

**Departmental Advisers:**

Ms S. Pitcher, Chief Executive, Department of Environment, Water and Natural Resources.

Mr T. Goodes, Deputy Chief Executive, Department of Environment, Water and Natural Resources.

Ms M. Griffiths, Chief Finance Officer, Department of Environment, Water and Natural Resources.

Mr B. Bruce, Group Executive Director, Customer and Corporate Services, Department of Environment, Water and Natural Resources.

Mr J. Schutz, Group Executive Director, Department of Environment, Water and Natural Resources.

Mr A. Geytenbeek, Management Accountant, Department of Environment, Water and Natural Resources.

Dr J. Virtue, Manager, NRM Bio Security, Department of Primary Industries and Regions SA.

Mr T. Mooney, Chief of Staff.

Ms T. Bates, Adviser.

**The CHAIR:** The estimates committee is a relatively informal procedure. There is no need to stand to ask or to answer questions. I understand that the minister and the lead speaker for the

opposition have agreed an approximate time for the consideration of the proposed payments, which will facilitate the change of departmental advisers, and that has not changed, I understand, since it was printed.

Changes to the committee membership will be notified as they occur. Members should ensure the Chair is provided with a completed request to be discharged form. If the minister undertakes to supply information at a later date, it must be submitted to the secretary no later than Friday 30 October. Committee responses will be published during the 17 November sitting week in the corrected daily *Hansard* over a three-day period.

I propose to allow both the minister and the lead speaker for the opposition to make opening statements of about 10 minutes each, should they wish. I understand the minister wishes to make an opening statement.

**The Hon. I.K. HUNTER:** I do, indeed.

**The CHAIR:** Does the lead speaker wish to make an opening statement?

**Mr WHETSTONE:** No.

**The CHAIR:** There will be a flexible approach to giving the call for answering questions based on about three questions per member, alternating each side. Supplementary questions will be the exception, rather than the rule, and they need to be related to a budget line, obviously. A member who is not part of the committee may ask a question at the discretion of the Chair.

There is no formal facility for the tabling of documents before the committee; however, documents can be supplied to the Chair for distribution to the committee. The incorporation of material in *Hansard* is permitted on the same basis as applies in the house, that is, that it is purely statistical and limited to one page in length. All questions are to be directed to the minister, not the minister's advisers, but the minister may refer questions to advisers for a response.

During the examinations, television cameras will be permitted to film from both the northern and southern galleries. We are not being live streamed. I declare the proposed payments open for examination and I refer members to the Agency Statements Volume 2. I now call on the Minister for Sustainability, Environment and Conservation to make an opening statement, if he wishes, and to introduce his advisers.

**The Hon. I.K. HUNTER:** I believe it is customary to introduce those who are sitting with me. On my left is my new Chief Executive, Sandy Pitcher, and to her left is Michelle Griffiths, Chief Financial Officer for the agency. To my right is Mr Tim Goodes, Deputy Chief Executive. Behind me, in some configuration are Mr Ben Bruce, Group Executive Director; Tom Mooney, my Chief of Staff; Dr John Virtue, manager of biosecurity; Andrew Geytenbeek, management accountant; Mr John Schutz, another executive director; and Tara Bates from my office.

I would like to take this opportunity to welcome my new chief executive, Sandy Pitcher. Sandy brings many years of experience in government, internationally and also in South Australia and DPC and other areas, to her new job and I look forward to working with her with our department in its great work in protecting our environment and ensuring we have sustainable use of our natural resources.

I would also like to thank the outgoing chief executive, Mr Allan Holmes. He has worked tirelessly in his role for the best part of a decade, and our state and our environment has benefited greatly from his passion and his conviction in the job.

The work of the department is very broad as honourable members will know. The department's activities cover the entirety of the state managed through our eight NRM regions, and the subject matter of that management is also equally broad, ranging from animal welfare to water resource planning. It is impossible, of course, to outline all of the agency's achievements this morning in the very short time frame that you have given me, but I would like to touch on a few key areas.

We placed fairly strong emphasis this year on reforming and improving animal welfare. We have consulted on the draft dog and cat management amendment bill and the draft Code of Practice for the Welfare of Dogs and Cats in Breeding Facilities. This consultation process, I understand, has attracted approximately 1,900 submissions from members of the public and interested organisations.

We are currently considering that feedback, and I intend to have a bill for the consideration of parliament before the end of the year.

In addition, we are conducting a citizens' jury to consider what additional measures can be used to reduce the number of dogs and cats that are put down every year in South Australia. Figures we have estimate that at least 10,000 animals are euthanased every year. Earlier this year when the disturbing practice of live baiting greyhounds in the Eastern States was exposed on the ABC, this government took swift action to ensure that this practice, along with any associated activities, was illegal in this state. We worked in partnership with Greyhound Racing SA and the RSPCA to ensure a coordinated response across the industry, and I look forward to this bill passing the lower house in the near future.

The year 2014-15 has also seen the department continue to implement a range of new initiatives to encourage South Australians and domestic and international visitors to engage with our natural environment, including, of course, through our national parks. As part of this implementation, the department is working in partnership with local communities to maximise the benefit of our investment.

The Adelaide international migratory birds sanctuary, which will stretch 60 kilometres along the Gulf St Vincent coastline north of Adelaide and up to Proof Range, will protect vital habitat for migratory shorebirds and create a great leisure and tourism asset on the fringes of the Northern Adelaide Plains. We have been engaging with a number of community groups and will soon be launching The Collective, which consists of representatives from key groups involved in the sanctuary's development.

The government has committed \$300,000 over two years to increase South Australia's system of parks and reserves and to protect more of the state's unique environment. Last year the funding saw additions to eight parks and reserves and the proclamation of three new parks and reserves.

In addition, we have continued to develop the relationship between Cleland Wildlife Park and Ocean Park in Hong Kong as a key opportunity to promote our state to international tourists. This relationship has led to a fantastic opportunity to showcase the beauty and unique offering to South Australia through the Koalas to China project. This project has seen so far three koalas, three red-necked wallabies and two kookaburras delivered to Ocean Park during October 2014. These animals star in the Adventures in Australia exhibition, which was featured in 250 media publications during its grand opening, giving South Australia incredibly wide tourism exposure.

As well as the investment made in parks and reserves, this government has also established our network of 14 marine parks, one of the most significant conservation projects ever undertaken in this state. In 2014-15 we increased the funding for monitoring and compliance of marine parks by \$1 million. In addition, we have commenced regional impact assessment statement processes in Port Wakefield, Ceduna and Kangaroo Island to outline the impact of sanctuary zones on the local economies. Reports from these processes are due to be completed by October.

Experiences around the world have shown the benefit that marine parks can have, not just on the environment, but also on the economy, and in 2014-15 we commenced rollout of \$3.25 million funding to encourage recreational fishing in and around our marine parks.

Weeds and pest animals are a key concern to farmers and the broader community, impacting on primary industries, our natural environments and public health and safety, so, working in partnership with Biosecurity SA and DEWNR, our natural resources management boards have revised or developed new policies for over 145 weeds as part of the review of declared plants under the Natural Resources Management Act. Newly declared weeds include buffel grass, arum lilies, spiny rush and white weeping broom. To assist in declared weed control, the government produced the free SA Weed Control app for smartphones and tablets. This is an Australian first, I understand, and empowers landholders to choose the most appropriate control method for their situation.

I could not reflect on this past financial year without touching, of course, on the devastating impact of the Sampson Flat bushfire, the largest bushfire to sweep through the Adelaide Hills in more than 30 years. Responding to the CFS chain of command, front-line staff and DEWNR were located

near the northern fire boundary. Because DEWNR's firefighting equipment and training are specifically designed for fire management in native vegetation in the more remote areas of the state, the team was very well prepared. By the time the fire was considered under control on Wednesday 7 January, it had burnt 12,570 hectares of land, including 215 hectares of park. It is testament to the enormous effort of our fire and emergency crews that not a single life was lost, something we can be very thankful for.

During the first week of January in 2015, DEWNR's fire brigade responded not only to the Sampson Flat fire, but also to a major fire at Tantanoola and a number of fires caused by lightning extending from Eyre Peninsula and Kangaroo Island to the South-East. This year has been a very significant year for the department in terms of fire management.

I would like to sincerely thank the DEWNR fire brigade, which was called on by the CFS to help manage the fire. DEWNR staff were deployed both as strike teams, directly fighting the fire, and in crucial support roles, including internet controllers, planning officers, GIS mapping specialists and fire behaviour analysts. And of course, Mr Chair, I would like to take this opportunity to publicly thank all staff in my agency who have worked tirelessly this year under the excellent leadership provided by the department's executive team. I am now prepared to answer your questions.

**The CHAIR:** Thank you, minister. The lead member does not have an opening statement?

**Mr WHETSTONE:** No.

**The CHAIR:** Then I'll open it straight up to questions. Member for Chaffey.

**Mr WHETSTONE:** Minister, you finished off on the Sampson Flat fires, and I think we need to thank all the people who fought the fires, not just staff from DEWNR. The Sampson Flat fires, Budget Paper 5, Budget Measures, page 16: given the significant investment in this sub-program, why did the government believe it needed to increase the ESL to cost recover a relatively small proportion of the total program?

**The Hon. I.K. HUNTER:** I thank the member for Chaffey for his question, but he should know by now that that question should be directed to the Treasurer.

**Mr WHETSTONE:** How did DEWNR's cost for the Sampson Flat fire in 2015 compare to the Bangor fire in 2014?

**The Hon. I.K. HUNTER:** I might just give some preliminary comments about Sampson Flat whilst I consult on the Bangor issue. The Sampson Flat bushfire started on 2 January and burnt across 12,569 hectares or thereabouts of public and private land in the Mount Lofty Ranges. It was declared a major emergency under South Australia's emergency management arrangements on Saturday 3 January 2015. More than 200 DEWNR staff and 48 firefighting appliances were involved in suppression activities, with in excess of 11,000 hours contributed by DEWNR personnel, I am advised.

In March, an assessment of the cost pressures arising from the Sampson Flat bushfires was completed for all government agencies, and a submission was made by the Department of Environment, Water and Natural Resources to the Department of Treasury and Finance, as is normal. The DEWNR submission included, I understand, a total cost of \$0.635 million, comprising primarily fire suppression extraordinary salary-related costs, repairs, travel, accommodation, fuel and other materials.

Similarly, in 2013-14, I can advise that \$2.395 million was recovered from DTF in relation to costs associated with the January 2014 bushfires at several locations, not just Bangor, including those at Katarapko, Calperum, Bangor, Billiat and Ngarkat. Support provided by DEWNR to the CFS for bushfire response includes personnel trained in firefighting and incident management roles, as well as firefighting appliances and specialist equipment. If the member would like a more detailed breakdown, comparing with Bangor alone, I will have to take the rest of that question on notice, but he can give me that indication if he wishes.

**Mr WHETSTONE:** I would like to have that question on notice, please. The cost of the Sampson Flat fires was shared between three departments. Can you outline the cost to your department?

**The Hon. I.K. HUNTER:** As I said, the DEWNR submission referred to a total cost of \$0.635 million, comprising primarily fire-suppression extraordinary salary-related costs, repairs, travel, accommodation, fuel and other materials.

**Mr WHETSTONE:** How many of your department's (DEWNR) 70 full-time equivalents were involved in that firefighting effort at Sampson Flat?

**The Hon. I.K. HUNTER:** Chair, as I have already given evidence to this committee, more than 200 DEWNR staff and 48 firefighting appliances were involved in suppression activity, as I said about two minutes ago, with in excess of 11,000 hours contributed by DEWNR personnel.

**Mr WHETSTONE:** So, that total effort resulted in a \$635,000 cost to the department?

**The Hon. I.K. HUNTER:** That is my advice—additional cost to the department.

**Mr WHETSTONE:** So, additional cost.

**The Hon. I.K. HUNTER:** I will just read again what I said: the DEWNR submission included total costs of \$0.635 million, comprising primarily a fire-suppression extraordinary salary-related cost, repairs, travel, accommodation, fuel and other materials.

**Mr TRELOAR:** Minister, you would be aware that, in response to the emergency services levy increase, there have been a number of brigades on Eyre Peninsula which are taking a stand and suggesting that they will not be prepared to combat bushfires on—

**The CHAIR:** Can I ask you to refer to the budget line, please.

**Mr TRELOAR:** I can: Budget Paper 2, Volume 4, page 173. Without repeating the beginning of the question, the question is: how does the department propose to respond to a bushfire emergency on crown land on Eyre Peninsula given that at least half a dozen brigades have suggested that they would not be prepared to provide a service there?

**The Hon. I.K. HUNTER:** Mr Chairman, the honourable member has been around long enough to know that that would be a question for the Minister for Emergency Services, but might I say that the department has staff right across the state who are trained in firefighting, and we will attend fires as required. Our main effort, of course, is directed to fires that are in difficult to reach terrain and parks, obviously, but we do not differentiate where the fires are; we go where we are needed. DEWNR staff are always available to fight fires and always will be.

**Mr TRELOAR:** Supplementary, Mr Chair?

**The CHAIR:** Supplementary questions are the exception, rather than the rule, member for Flinders, but you can ask another question.

**Mr TRELOAR:** I will ask another question—on the same topic, minister. Given that DEWNR have firefighting capability, you referred in your opening statement to the fact that you work in conjunction with CFS, surely the likelihood is that a greater demand will be on DEWNR should a fire occur on crown land, and how do you propose to manage that or to cater for that demand?

**The Hon. I.K. HUNTER:** The Department of Environment, Water and Natural Resources has firefighting resource available right across the state to respond to fires and also, I might add, to fires interstate and internationally. The task of prescribed burns is another function that our department undertakes. In the event of a bushfire, of course, CFS is the lead agency. We are a brigade of the CFS—we do not operate independently as such—and this would be an operational question to be directed to the appropriate minister in charge of the CFS, the Minister for Emergency Services.

**Mr PICTON:** I have a couple of questions. First, I refer the minister to Budget Paper 4, Volume 2, Program 3, sub-program 3.1, page 171. This is something that I am particularly interested in, with the Onkaparinga Recreation Park being in my electorate. I am wondering whether the minister can outline for the committee what park upgrades are being planned in the Adelaide Mount Lofty Ranges and how the community has been involved in the decision-making process.

**The Hon. I.K. HUNTER:** I thank the member for his most perspicacious question. There is no doubt that our parks and reserves make a very significant contribution to tourism in our state. This

government wants to ensure that more of our state's citizens can enjoy our state's beautiful parks and reserves and currently already do so.

Our goal is to provide an exceptional visitor experience that is enjoyed by locals, interstate and international visitors and is talked about across the world. This year, for example, we have continued significant trail upgrades in Cleland Conservation Park, the Sturt Gorge, and Shepherds Hill recreational parks. In addition, we are investing \$10.4 million between 2014-15 and 2017-18 to upgrade and improve park facilities.

However, to ensure that these changes really reflect what visitors want in their parks we have asked the community to play a fairly important and significant role in deciding how this money will be spent. We have established a co-design process to guarantee that the wider community, not just the traditional stakeholders who were very important, is also consulted and involved in the project, and I think at one of those codevelopment/co-design stakeholder meetings the member for Morialta turned up and was very pleased to see the consultation going on in his area with local community members.

We have taken on board a lot of different range of measures to encourage a wider involvement; not just sit-down forums and meetings which are not appropriate for everybody, but they include ministerial round tables which I have attended or officers have attended to talk to people about what their needs are in parks. We have also had discovery days or open days in our parks and reserves where local children and families were able to enjoy free activities such as kayaking, orienteering and mountain-bike rides and guided walks.

I understand we have received over 750 responses to our online surveys and have engaged primary school children to design their perfect park through our Minecraft competition. I announced the winner recently and from memory it was Linden Park Primary. We have also established community co-design teams in the north and south to help us prioritise the huge range of ideas that are coming up from the broader community. This is a very real broad community consultation process.

A final meeting with the co-design teams was held last week, I understand, and I will be receiving and reviewing the ideas that are put forward for the development plans of that expenditure in parks going forward. As I said, this was an attempt to move away from the traditional people who input into departmental decision-making, trying to broaden that to members of the local community and to find out what the barriers are that stop people from utilising our parks more and try to encourage them to come up with ideas, or make it easier for them to engage with our parks.

**Mr PICTON:** Another question from the same budget paper, but page 172. Can the minister inform the committee about how the state is expected to benefit from Cleland Wildlife Park's Koalas to China project?

**The Hon. I.K. HUNTER:** Another excellent question from the member for Kaurna, and I am pleased to hear that members of the committee read my press releases. Cleland Wildlife Park is one of South Australia's premier tourism conservation assets. It is currently ranked, as I understand it, as number one attraction in Adelaide on the TripAdvisor website. I was told by Professor Chris Daniels on Sunday that koalas are the second-most loved animal in the world—

**Mr WHETSTONE:** What is the first?

**The Hon. I.K. HUNTER:** The pandas. I was rather upset that we came second but still it gives you an indication of how the koala is seen around the world. In particular, the reputation for koala experiences in Cleland makes it a very popular destination for domestic and international visitors alike, particularly because Australia is the only country in the world where visitors are able to hold a koala. And, of course, South Australian koalas are the most attractive in Australia: they are bigger; they are fluffier; and they have a sweeter temperament.

In recent years, Cleland Wildlife Park has developed a strong relationship with Ocean Park in Hong Kong as part of the Koalas to China project, as I mentioned in my opening statement. I expect that this will be of great benefit to South Australia's tourism, education and research sectors. The Premier and DEWNR's chief executive attended the launch of Ocean Park's Adventures in Australia exhibit on 23 March this year.

Ocean Park estimates that 1,000 visitors will pass through the Adventures in Australia exhibit every hour, with an expected total of 10,000 visitors a day. This will create significant opportunities to showcase South Australia. For example, queueing visitors are shown a six-minute video promoting Cleland and South Australian tourism more broadly, and the partnership will promote our outstanding produce. I understand the handlers in Ocean Park wear Cleland Wildlife Park uniforms.

Ocean Park's Australia Month will showcase South Australian food and wine to thousands of visitors creating new and exciting export opportunities for our state. While Cleland Wildlife Park continues to serve and promote South Australian food and wine in its cafe and shop, I understand there is a line-up to get people's local produce into our shop. We cannot handle it all at once, I was told by some of the cafe staff when I visited last year.

The proposed International Koala Centre of Excellence, to be developed in conjunction with the University of South Australia, will build on this partnership with Ocean Park. The University of South Australia will lead the research on the southern koala. This partnership will allow the university to leverage the international exposure, particularly in Hong Kong, but more broadly as well to attract new international students to Adelaide.

The Koalas to China Project, and the relationship developed between Cleland Wildlife Park and Ocean Park, will be a strong economic benefit to the state. Anecdotally I have been told that the launch in Hong Kong has attracted well over \$1 million worth of advertising in the Chinese market, which we could not have afforded to spend ourselves in terms of free media coverage.

I expect that this ongoing partnership will actually see significant economic and cultural returns for our state, not just in tourism but in international students and indeed for our state's fantastic agricultural products.

**Mr SPEIRS:** Minister, related to the question you have just answered, also from Budget Paper 4, Volume 2, page 172, what due diligence did the department take with relation to animal welfare before sending animals to Ocean Park in Hong Kong? By way of explanation, I have had significant concerns raised by Sea Shepherd Global about animal welfare issues at Ocean Park, including describing dolphin care there as a dolphin prison.

**The Hon. I.K. HUNTER:** Excellent question. I understand that several million dollars were expended by Ocean Park on habitation for the koalas as well as the plantation of eucalypts. We entered into very significant biosecurity care issues with Ocean Park, bringing staff over from Hong Kong to be trained here in South Australia at Cleland. We sent staff to Ocean Park to oversee the transfer as well. The only koalas that are shipped I understand were in fact bred in Cleland (I will be corrected if that is wrong, but I am pretty sure they were bred in Cleland) and were quarantined for a considerable period of time of at least, I think, three months before they were shipped. Their acclimatisation program in Ocean Park was similarly rigorous.

As I am reminded by my chief executive, and as I mentioned earlier, we have an understanding with Ocean Park about a research program that is being carried out in conjunction with the University of South Australia. We have signed a memorandum of understanding with Ocean Park to conduct this research on the southern koala. This will benefit koalas. We know that in the eastern states, for example, koalas are under significant pressure and are listed as vulnerable, I believe, largely due to land clearance and loss of habitat. Further, increasingly pressure will be brought on the populations there and possibly here as well in terms of advancing issues around climate change and pressure on the koalas.

Koalas have a very low nutrient and energy density diet. We know that heightened concentrations of CO<sub>2</sub> in the atmosphere mean that the leaves of the gum trees koalas eat will probably be less nutritious and have less energy in them, and this could cause some considerable problems for koala populations that are already under stress. So, the research through the universities and Ocean Park hopefully will address some of these issues as well.

**Mr SPEIRS:** Minister, related to that, are you confident that the animals—the koalas, the red-necked wallabies and the kookaburras—provided to Ocean Park are cared for as well as they would be at Cleland Wildlife Park?

**The Hon. I.K. HUNTER:** That is the advice I have received: I have no reason to think otherwise.

**Mr WHETSTONE:** Minister, in that same reference line, what was the cost of delivering the training programs, both here in Australia and in return in Hong Kong? Also, can you give me a break down on the cost of getting the animals over to Hong Kong?

**The Hon. I.K. HUNTER:** I can give some advice in that respect, and if the member would like more detailed advice in terms of actual cost for training programs I can take that on notice as well. In relation to the last question, I understand that we also have a ranger based in Ocean Park right now, so I would imagine and would hope that, had that ranger any concerns about the quality of life that our wildlife are enduring in Hong Kong, they would alert the department and through them me. I have no reason to think that the koalas in Hong Kong are not getting treatment just as good as they would be here.

As I said, three koalas, along with three red-necked wallabies and two kookaburras, were delivered to Ocean Park on 7 October 2014. The Department of Environment, Water and Natural Resources, I am advised, has spent \$210,000 on facilities, logistics and meeting the legislative requirements involved in delivering the animals to Ocean Park, which will be partially offset by claimable expenses to be paid by Ocean Park to DEWNR.

Approximately \$50,000 of this cost will be returned to the department by Ocean Park in 2015-16 to cover the project expenses such as covering the salary of a dedicated koala keeper who is currently residing in Hong Kong. Other claimable expenses relate to work undertaken for quarantined health checking and logistics for exporting the koalas.

A delegation from the South Australian government including the Premier and Governor attended the official opening. The opening of the Adventures in Australia exhibit was featured in, as I said, 250 media publications, which has a value-added equivalent of approximately \$1.2 million—so there you go, Chair, I said about one million dollars and it is \$1.2 million—to South Australian Tourism as it promotes what our state has to offer.

The honourable member asked questions about training programs. I do not have a detailed breakdown as to how those expenses were expended, but if you would like that follow-up question answered, I will take that on notice as well.

**Mr WHETSTONE:** What was the cost to both the department and the cost to the government for the delegation? You have already said that you will take the question on notice with the training programs. What was the cost to the department as well as the cost to the government?

**The Hon. I.K. HUNTER:** I would not have the information about the cost to the government; that would come under another minister's portfolio. I can only talk about the cost to the department. As I said, the advice I have to hand is that the cost was \$210,000, some of that to be paid back to the department from Ocean Park.

I might have some further advice in regards to the cost in relation to my agency. I am advised that the cost related to my agency for the launch of Ocean Park Corporation Adventures in Australia exhibit, which goes to the question the member asked, is \$6,389.70.

**Ms COOK:** My question pertains to Budget Paper 4 as well, page 159, with great interest around long-term outcomes related to employment. Will the minister please outline to the committee the Department of Environment, Water and Natural Resources' efforts in increasing Aboriginal employment?

**The Hon. I.K. HUNTER:** I thank the member for that very important question. I am very pleased to report on the department's ongoing efforts to increase Aboriginal employment. The South Australian Strategic Plan, Target 53 aims to:

Increase the participation of Aboriginal people in the South Australian public sector, spread across all classifications and agencies, to 2 per cent by 2014 and maintain or better those levels through to 2020.

I am pleased to report that as of March 2015, the department has achieved 2.4 per cent Aboriginal employment, up from 2.28 per cent in March 2014. This has been realised through the department's participation in whole-of-government initiatives such as the Public Sector Aboriginal Employment



Cluster coordinated by the Department of State Development; and, through its commitment to initiatives such as its Reconciliation Action Plan and ensuring the department's workplace is culturally competent, we have managed to reach that target.

It is important to note that the department does not restrict its efforts to just FTE counts, however. The partnership between the department and the eight natural resource management boards for instance also provides significant opportunities for Aboriginal education and vocational and business development. This involves connecting environmental and NRM education programs to business development opportunities for long-term outcomes.

The department also supports a successful Aboriginal Learning on Country program which is managed in conjunction with the Aboriginal Lands Trust. Previous ALoC graduates are now employed by Department of Environment, Water and Natural Resources, and the ALoC team in the Adelaide and Mount Lofty Ranges region has recently been listed on the DEWNR contractor register.

In the Alinytjara Wilurara region (AW), Aboriginal employment in the region has risen by 30 per cent over the last two years, I understand. This is thanks also to a board procurement policy whereby work is contracted through the communities and connected with rigorous and precise training programs.

The Port Lincoln High School Indigenous Ranger Cadetship program is also into its third year, which has seen seven students reach Certificate I in Conservation and Land Management, and five students reach certificate II. Similar programs are being run in other schools, including Ceduna, I am advised, and Northern Adelaide Senior College. The Aboriginal Groundwater Scholarship was established in 2011 in partnership with Flinders University, and since then two students have completed their degrees, and one continues to work for DEWNR while completing their honours.

It is clear that, in addition to meeting its public sector FTE target of 2 per cent, there are many more Aboriginal people being trained, employed and contracted across this state through our efforts. The priority for the department in the next 12 months will be to better capture this contracted employment work and be able to report on it to estimates and other important bodies.

This will be done through a review of the department's Reconciliation Action Plan and the Aboriginal Engagement Strategy to retain and advance its existing Aboriginal employees as well, of course, as continuing to offer our cultural awareness and competency training, to foster an environment that welcomes values and respects Aboriginal people, and where Aboriginal people want to work.

**Ms COOK:** This question for the minister refers to Budget Paper 4, Sub-program 1.1, page 158 with great interest relating to good health outcomes linked to the use of green space. Will the minister provide advice on the directions for co-management of our state's national parks?

**The Hon. I.K. HUNTER:** I thank the member for Fisher for the question. The co-management model in South Australia is a partnership between the state government and Aboriginal groups. It is designed to foster shared responsibility for land in a way that combines traditional knowledge and contemporary park management.

This government recognises the special connection that many Aboriginal Australians maintain with their land and the central role that the environment plays in Aboriginal culture and tradition. We are, therefore, committed to involving Aboriginal peoples in the management structures of our parks and other public spaces. The introduction of the co-management model goes back to 2004, I understand, and was a major achievement for this government and has received national and international recognition. Co-management has become a central component of parks management in ways that could not have been envisaged just 10 years ago. Indeed, I reported on this very issue to the ministerial council and environment ministers last week in Melbourne.

In addition to the clear environmental benefits, co-management makes a real and significant contribution towards reconciliation, self-determination and generally the wellbeing of Aboriginal people. We have 12 co-management agreements currently in place. They cover two thirds of the 13 million hectares of parks in our state, including iconic parks in places such as the Nullarbor and Lake Eyre, the Breakaways, and the Flinders Ranges.

In 2014, the new Yumbarra Conservation Park Co-management Board and the Nullarbor Parks Advisory Committee held their first meetings. These two bodies cover all the parks in the Far West Native Title determination area and have commenced working on the management plans for their parks. In December 2014 the Ngaut Ngaut Conservation Park became the first to progress from an advisory committee providing advice to the Director of National Parks and Wildlife, to a co-management board which has now become the relevant authority managing the park. I met with the board in April this year and reaffirmed the government's policy commitment to transfer the title of the park to Aboriginal ownership while retaining it as a co-managed park.

Late last year, a workshop in Adelaide brought together representatives from all co-management bodies to discuss ways in which we can work together to continue to improve the positive outcomes for the parks and Aboriginal communities. A second workshop is planned for late 2015.

Given that many iconic tourist destinations are located on traditional lands, the government is committed to involving board representatives in the new nature-based tourism strategy. Many of the boards and advisory committees have invested significant effort over the past 12 months in developing new park management plans and undertaking community engagement on draft plans. In November 2014 I adopted a management plan for the Malkumba-Coongie Lakes National Park.

Draft management plans have also been released for consultation for the Gawler Ranges National Park, the Breakaways Conservation Park and the Flinders Ranges National Park. I am very pleased that in 2015-16 we will rename the Flinders Ranges National Park, Ikara-Flinders Ranges National Park. I understand that Ikara is an Adnyamathanha word for 'meeting place'. I look forward to adopting these management plans in 2015-16, as well as the release of a number of other plans, including Lake Gairdner National Park and Kati Thanda-Lake Eyre National Park.

**Mr WHETSTONE:** I want to go to Budget Paper 4, Volume 2, page 156 under the heading of Workforce. Is the department on target to achieve its FTE reductions? If it is, what positions will be lost from the department in the 2015-16 year?

**The Hon. I.K. HUNTER:** The number of full-time equivalents (or FTE employees) varies throughout a financial year to ensure that required outcomes are met. FTE employees cover a wide variety of employment categories and include the following: Public Sector Act 2009, administrative services, operational services, technical grades, professional officers and weekly paid, covering government services, construction and maintenance workers, and building trades awards. The answer to the first question is yes, we are on track. I am advised that FTE reductions will fall into the following categories and sub-programs: sustainable natural resources management, preparing for climate change, water resource management, Murray-Darling Basin, visitor experience and services, mitigating impacts of bushfires, management of public and listed assets, and Botanic Gardens.

**Mr WHETSTONE:** Do you have the number of the FTE reductions?

**The Hon. I.K. HUNTER:** My advice is that it will be a 34 reduction from last year to this coming year.

**Mr WHETSTONE:** Minister, could you give some transparency to a directive that you are now embarking on a job growth initiative within your department?

**The Hon. I.K. HUNTER:** Budget line?

**Mr WHETSTONE:** Budget Paper 4, Volume 2, page 155.

**The Hon. I.K. HUNTER:** You will need to give me a bit more clarity about your question. Page 155 has the workforce numbers.

**Mr WHETSTONE:** The directive is about outsourcing jobs to provide growth within the department. It is looking to source—

**The Hon. I.K. HUNTER:** Where are you finding that reference?

**Mr WHETSTONE:** —jobs from local government, LAPs and NGOs.

**The Hon. I.K. HUNTER:** Where are you finding that reference? You are speaking to page 155 which is the workforce summary and you are quoting from somewhere else.

**Mr WHETSTONE:** It is a workforce summary, yes.

**The Hon. I.K. HUNTER:** Where are you quoting from, member for Chaffey? Can you assist me?

**The CHAIR:** It is a little unclear what you are asking, member for Chaffey. I must admit.

**Mr WHETSTONE:** I am asking for some directive on the minister's job growth initiative within the department.

**The Hon. I.K. HUNTER:** And what page are you referencing for that?

**Mr WHETSTONE:** Well, it is the general workforce, Budget Paper 4, Volume 2, page 155.

**The Hon. I.K. HUNTER:** So I have that open in front of me.

**Mr WHETSTONE:** Well, is there a directive for a job growth initiative within your department?

**The Hon. I.K. HUNTER:** Mr Chair, the member is not really referencing the budget papers and assisting me in answering this question. I seek further clarity from him on his question.

**The CHAIR:** I agree. We either move on to another question and clarify that later. Are you happy to do that? Are there any other questions on the other side?

**Mr WHETSTONE:** Well, minister—

**The CHAIR:** It is very unclear what you are asking, member for Chaffey.

**Mr WHETSTONE:** Look, it—

**The CHAIR:** It does not appear to refer to anything on this page.

**Mr WHETSTONE:** While the department are on target to achieve the FTE reductions, we hear that there is a directive for job growth initiative within the department to outsource jobs to provide growth within the department from the private sector.

**The Hon. I.K. HUNTER:** Mr Chair, the member is saying, 'We hear,' but he is not referencing any budget paper and really he knows full well that estimates is about referencing the budget papers and asking me a question about those.

**The CHAIR:** That's right.

**The Hon. I.K. HUNTER:** He is trying to bring into the discussion something anecdotal—

**The CHAIR:** Extraneous.

**The Hon. I.K. HUNTER:** —referencing by saying, 'We hear'. Well, I am sorry, that is not good enough.

**Mr WHETSTONE:** Can you rule it out?

**The CHAIR:** I agree. I think we move on. There are plenty of questions on the other side, member for Chaffey, if you need some help.

**Mr WHETSTONE:** Crown land and sales, Tunkalilla Beach, Budget Paper 4, Volume 2, page 176, under Highlights 2014-15. Minister, last year in estimates you referred to this line item, to the \$1.1 million in the budget to sell land at Tunkalilla Beach, which had already been delayed from the previous financial year. Can you provide some details, please?

**The Hon. I.K. HUNTER:** I thank the member for his important question. As we know, one of the most spectacular parts of the Heysen Trail on the Fleurieu Peninsula is within a large coastal property called Balquhider Station. There is no agreement for the Heysen Trail to pass through this property. Discussions have been held between government and the station owner, Australian Capital Equity, to determine whether a suitable arrangement can be made. To date, I am able to advise, the \$1.1 million, which was allocated in the 2014 budget to improve the Heysen Trail on the Fleurieu Peninsula, has not been used to purchase any additional land associated with Balquhider Station.

**Mr WHETSTONE:** What will be the impact on this year's budget?

**The Hon. I.K. HUNTER:** My advice is that there will be no impact on the budget. The \$1.1 million that was to be allocated was to be achieved through an associated sale of land. That sale will not go ahead until such time as we can actually get an agreement on alternative access through the trail.

**Mr WHETSTONE:** Are you able to give us an understanding of the reasons why Mr Stokes is deciding not to proceed with the purchase of the property?

**The Hon. I.K. HUNTER:** No, I am not, but I can advise that if members refer to page 156, they will see under the column for the 2015-16 budget allocation a dash for Heysen Trail—Realignment and Further Development, indicating no impact on the budget.

**Mr WHETSTONE:** Okay. Was the Tunkalilla property one of the unsolicited proposals?

**The Hon. I.K. HUNTER:** Would the member like to give me some further information about the unsolicited proposal, which I do not have any awareness of?

**Mr WHETSTONE:** It was provided to support to the Coordinator-General in the assessment of the unsolicited proposals.

**The Hon. I.K. HUNTER:** That may very well be the case, but I certainly don't recall, and my advisers don't recall, any unsolicited proposal being brought to my attention.

**Mr WHETSTONE:** Is there a list of unsolicited bids?

**The Hon. I.K. HUNTER:** I imagine that the Coordinator-General would have a list. Those that come to the attention of my department I am sure would be brought to my attention, but the Coordinator-General is responsible for those. You will need to direct your questions to the appropriate minister.

**Mr WHETSTONE:** And which minister would that be?

**The Hon. I.K. HUNTER:** That would be DPC, I think, so the Premier would be the appropriate minister in this case.

**Mr TRELOAR:** Minister, I take you to Budget Paper 4, Volume 2, page 162, Animal Welfare. You spoke to this in your opening statement. My question is around the legislation that we are about to debate. Will that legislation include working dogs? I am particularly concerned about registered working dog breeders and even registered cat breeders and how they will be considered in this legislation.

**The Hon. I.K. HUNTER:** The short answer is this: it is out for consultation at the moment. As I said, we had hundreds and hundreds of responses to that consultation process. We have a citizens' jury considering other aspects. That will be reported back to me and we will be consulting with stakeholders about the drafting of the legislation as, of course, we always do. At the minute, it is open to industry and individuals to make those comments about working dogs. I am aware of the issues: I read the *Stock Journal* as well. Those issues and commentary will be assessed as part of the assessment of all the public statements that have come forward on this matter.

**Mr TRELOAR:** I take you to Budget Paper 4, Volume 2, pages 170-171: Parks and Public Assets. Fox baiting is undertaken by the department to protect wildlife—a very important program. Has the department continued to undertake active fox baiting in national parks? In his answer, perhaps the minister can refer to the 2014-15 and even 2015-16 budget allocation for this.

**The Hon. I.K. HUNTER:** I might ask Mr John Schutz to talk about some of these programs more generically, including Bounceback, of course, which is one of our icon pest management programs, and also our NRM board approaches. John has more details at hand than I do.

**Mr SCHUTZ:** In answer to your question, the department has a number of programs where we have specific fox baiting or wild dog baiting programs—Biteback in the pastoral district; Bounceback, as the minister has referred to, in the Flinders Ranges, which is a broad public/private land partnership; and the reintroduction of the tammar wallabies on Yorke Peninsula where we continue to have a dedicated fox baiting program.

As well as that, we have ad hoc programs where we work with surrounding landowners, such as Lincoln National Park and Coffin Bay where we have fox baiting programs, and a number of those are done in partnership with volunteer groups like Friends of Parks, who help distribute those baits. The NRM boards, of course, have a dedicated responsibility for pest plants and animals and they would be working with landowners to make sure foxes are being routinely targeted where there are any sort of significant impacts across their properties.

**Mr TRELOAR:** Minister, is the program relating to landowners that is coordinated by the various NRM boards a continuing program?

**The Hon. I.K. HUNTER:** As I understand it, yes. We will be maintaining our commitments to Bounceback, Biteback and other programs that are run by our NRM boards. The thing to be aware of is that these programs are actually put forward by the community. NRM boards are required to go out and consult with community members about how their income is to be spent over coming years. It is up to the community to tell the NRM boards what their priorities are. Pest management is obviously very high in that priority list, so NRM boards are very responsive to that requirement.

**Mr TRELOAR:** I refer to Volume 2, page 159. Minister, there are performance indicators on that page with regard to the percentage of native vegetation clearance applications being processed. My question—and it is quite obvious, I guess—is: why are targets for native vegetation clearance application processing times not being met? Perhaps the minister, in his answer, could talk about how many staff are currently employed in the native vegetation section of DEWNR.

**The Hon. I.K. HUNTER:** I thank the member for Flinders for his question. To answer his second question first, I understand there are approximately 12 staff in the native vegetation unit. In terms of why we are not getting 100 per cent instead of our current clearance levels of 80 per cent, I am advised that this really relates to those hardcore complicated issues where we need to seek further responses from our partners, be they local government or other departmental agencies. Oftentimes, we go back and negotiate with the proponent over how they might best meet the requirements of the legislation and so, given that extra flexibility, it is not surprising some additional time is taken to come to an outcome that is supported by all.

**Mr TRELOAR:** Budget Paper 4, Volume 2, page 179 concerns difficult native vegetation issues. What has been the total cost to government from the ongoing legal proceedings in respect of the Ceduna Waters development?

**The Hon. I.K. HUNTER:** We do not carry figures on a matter by matter basis. We would have to take that on notice, do some research and consult our agencies involved, including perhaps crown law.

**Mr TRELOAR:** I appreciate that, thank you, minister.

**Mr WHETSTONE:** Investments in projects—Budget Paper 4, Volume 2, page 156, Investing expenditure summary. What is the reason for the increase in over half a million dollars for the Kangaroo Island multiday walk?

**The Hon. I.K. HUNTER:** I might take the opportunity with the member's question to remind the committee of what an outstanding achievement this walk will be. Kangaroo Island is, of course, recognised as a landscape of national significance and as an established ecotourism destination. It is estimated that Kangaroo Island parks are responsible for over 20 per cent of the economic activity associated with nature-based tourism in South Australia.

The Kangaroo Island Wilderness Trail project will provide a new internationally competitive multiday walking experience along the south-west coast of Kangaroo Island, contributing towards our commitment to continue to grow South Australia as a destination of choice for international and domestic travellers. The trail has the potential to become the next big economic benefit for our state, particularly for the island, and opportunities are there for the private sector to invest in accommodation or new tourism products on Kangaroo Island.

A recent report by KPMG estimates that post construction total visitor expenditure relating to the trail will be about \$4.4 million by 2020 and the operation of the trail will support approximately 27 ongoing jobs on KI and up to 50 across the state. Expressions of interest for private investment

of up to \$2 million in luxury eco accommodation along the trail route will be called by the end of July 2015. A range of privately-operated commercial opportunities supporting the trail are envisaged and will be negotiated over the coming months.

This project consists of three major components: the walking trail construction, campsite infrastructure design and supervision, and campsite infrastructure construction. Construction of the trail will occur within both national parks and wilderness protected areas, requiring sensitive and skilful management to minimise the impact on the environment. It is expected that the trail will be completed by June 2016 at a total cost of just over \$5 million. I understand that construction is on schedule, 50 per cent of the trail construction is completed and the campsite design is underway. The additional million relates to an upgrade of tourism infrastructure which is an additional investing payment of \$1.019 million.

The Australian government's Tourism Demand Driver Infrastructure program (TDDI), administered in South Australia by the South Australian Tourism Commission, provides funding for projects that contribute to tourism outcomes by driving demand, improving quality of experiences and increasing tourism expenditure.

The TDDI program will enable funding of \$3.986 million over four years for additional tourism infrastructure across the state, that component I already mentioned for the walking trail. In terms of the amount, I understand it is still going to be \$5.1 million, but it has been reprofiled as a different spend over those two budgetary periods of 2015-16 and 2014-15. Had we spent more in the last financial year, the amount we had left to spend would have been reduced, but as it was, we reprofiled it and we are spending that estimated result in this coming budgetary year.

**Mr WHETSTONE:** What is the reason for the underspend—unusual, but it is an underspend—in the Riverine Recovery Project?

**The Hon. I.K. HUNTER:** The Riverine Recovery Project is a \$98 million component of the Murray Futures program and aims to achieve measurable long-term improvements in the health of the Riverine environment between Wellington and the South Australian border. During 2014-15, the Riverine Recovery Project completed construction elements, which included regulators on five weir pool connected wetlands, an inlet regulator and fishway at Deep Creek near Paringa and three new regulators on the Pike flood plain. These will deliver long-term ecological outcomes for the River Murray and support the state's delivery of the basin plan objectives.

In terms of the underspend, the South Australian government initially secured a total of \$61 million for a start-up phase, early works projects and phase 1 of the Riverine Recovery Project proper. The remainder of the approved funding of \$37.4 million was subject to the state providing additional information at two different review points. As I am advised, there is no reduction in the total spend; it is just a reprofiling of the expenditure over a period of different financial years as we negotiate this expenditure with the federal government. I am advised that this is not unusual. The federal government requires reporting during the project. Ongoing engineering reports and also consultation with stakeholders sometimes throw up different ways of doing things or different priorities, and we can bring those forward or push those back. So the envelope is flexible, but the total amount is the same.

**Mr WHETSTONE:** Are the Riverine Recovery projects that are currently underway on track?

**The Hon. I.K. HUNTER:** As at the end of June 2015, the Riverine Recovery Project has completed a number of significant packages of work including undertaking an extensive program of flora and fauna surveys, geotechnical investigations and engineering design; preparation of wetland management plans for approximately 50 sites from Wellington to the border; construction of major water regulating infrastructure on six significant wetlands and minor infrastructure on a further seven; construction of a major new inlet regulator to increase the water flowing through the Pike; construction of major regulating infrastructure on the Pike and Katfish flood plains; and undertaking a substantial trial weir pool raising event to provide River Murray ecological outcomes. I think you might have been there, actually, when we initiated that.

Throughout this work there was significant stakeholder input—I have talked about that—and the Riverine Recovery Project is well positioned to deliver further significant packages of work, including regulator construction at a further 11 sites over the next 12 to 24 months, if the remaining

commonwealth funding is secured; undertaking a further round of weir pool manipulation; and monitoring the ecological benefits of the works completed so far. As far as I am aware, we are on track, but it is subject to securing that remaining commonwealth funding.

**Mr TRELOAR:** I refer to Budget Paper 4, page 158, continuing on that river theme. The dot points are carryover expenditure relating to the River Murray forest project of \$600,000 and increased expenditure relating to the million trees project of some \$300,000. Minister, how many trees or plants planted in the River Murray forest project have survived? In conjunction with that question, I ask: how many trees have been planted in total so far in the million trees project?

**The Hon. I.K. HUNTER:** I will wait for my advisers to give me some lines but, as I recall, was it earlier this year that I planted the three millionth plant down at the Lower Lakes and had some lovely scones and afternoon tea at the same time, which was fantastic. The member for Hammond, Adrian Pederick, assisted me by digging the holes and doing the hard technical work—

*Mr Treloar interjecting:*

**The Hon. I.K. HUNTER:** Yes, Adrian is not known as being a great tree planter, but I came back in and backfilled them. I also recall from discussion with the staff on the day, when I asked the very question about tree survivability, that they said that they are getting exceptionally high survivability rates of well over 90 per cent, so that is encouraging.

In terms of information I can give you about that, the River Murray forest project is a pioneering project initiated by the state government in 2006, with the aim of linking biodiversity assets and offsetting greenhouse gases through carbon sequestration. The project has an allocation of \$5.7 million. Forest establishment involves the use of public and private land, and the investment in planting is being shared between the government (for up to two-thirds of the cost) and landholders, business and industry.

The calendar year 2015-16 will include the completion of revegetation activities on public lands and additional plantings at high-priority sites. The project will have achieved 1,518 hectares of forest plantings across all sites by June 2016. I am pleased to be told that my recollection is not wrong in that the South Australian Urban Forest/Million Trees Program commenced in 2003 at an initial target of planting one million trees. The program was extended and three million plants were planted before the program ended in 2014.

I attended an event at Onkaparinga River National Park on 20 August to celebrate the planting of the three millionth tree and the completion and the Urban Forest/Million Trees Program (that program was slightly different from the one we did along the riverine area with the member for Hammond), so we are well above our initial target of one million.

**Mr TRELOAR:** With regard to targets for 2015-16, on page 159 again, I will go through the dot points again:

- Implement a third party significant environmental benefits program for native vegetation.
- Continue to establish the Adelaide International Bird Sanctuary.
- Explore the creation of a new category of private protected area to facilitate diversified conservation and tourism opportunities.

Minister, can you provide details of dot point three, for example, a new category of private protected area to facilitate diversified conservation and tourist opportunities? Can you expand on that, and have you had any discussions with any NGOs regarding that project?

**The Hon. I.K. HUNTER:** I would love to answer your question, but I am advised that I should respond to you by saying, 'Watch this space.' There will be an announcement about private parks some time in the near future. The department, obviously, has been working on this for some time. I have yet to take a proposition to government, which will be seeking permission for stakeholder consultation very soon.

**Mr WHETSTONE:** I want to go back to parks—sub-program 3.1: Visitor Experiences and Services, Budget Paper 4, Volume 2, page 172—looking at the electronic access payment options,

instead of the previous cash self-registration. Minister, can you outline whether you believe that the changes have been effective, and what feedback have you had from the public?

**The Hon. I.K. HUNTER:** The department has recently introduced a new online booking system to improve the distribution of park information and booking services. This modern system ensures our national parks align with broader tourism booking systems operating within the state and elsewhere.

The innovation of an online booking system enables local, national and international access to park entry, particularly camping and heritage accommodation bookings and information on national parks, all from a home computer or smart device. Bookings can be made up to a year in advance which allows visitors to plan ahead and travel in a safe and timely manner during busy long weekends knowing that their campsite is available when they arrive. There is nothing worse than thinking you can turn up to a park having booked your favourite campsite and find that someone else is squatting there, or got in early. I am advised that this is a very welcome innovation and means that people can plan on having their favourite campsite and make sure that it is booked for them.

We have implemented this system in response to feedback from visitors who expect the provision these days of a modern technological service, though why I cannot imagine—I will never use it myself—but I am sure others who have a smart phone will find it very valuable. The online system is complemented by booking agents in local towns who accept cash payments for visitors who do not have access to a credit card or the internet. This, in turn, has allowed the agency to decommission unattended cash points located in parks which I understand have in the past been the target of some unwelcome attention from people who try to break in and steal the money. We can also develop better relationships with local businesses in regional areas if they act as our agents. The system also collects visitor-metrics data which will help the department better manage the parks as resources suit visitor needs.

The system has been trialled in three regional locations. Initially, it was introduced in Innes National Park and Mount Remarkable National Park in August 2014. Lessons learnt from the initial trials and the online booking system were introduced to all parks in the South-East region on 1 February 2015. I am aware that, as you would expect, the system had some initial issues at Innes and Mount Remarkable, but I am advised that the South-East trial has been exceptionally successful. The system is now operating in seven parks, and during the trial period over 17,000 bookings were made through the system.

During Easter 2015, five of the seven parks were booked to capacity two weeks in advance, and this allowed the department to notify other visitors planning an Easter holiday to find alternative accommodation. Following the success of the trial, the department will further invest in the project during 2015-16. The second phase of the project will focus on rolling the system out to parks and commercial sites across the state, and we will further develop the system to improve the user experience.

The department will undertake a community awareness campaign and review the national parks' fees and charges to simplify the department's product offering. The department will also be pursuing opportunities to work with other state park agencies to provide consistency with online experience for park users. In 2014-15, approximately \$40,000 was spent on this project, \$31,000 was spent on the annual licence fee for the software, and \$9,000 was spent on travel and accommodation and minor system developments. I can advise the committee that, whilst I do not have a smart phone, I did ask for a demonstration of the booking system, and even I could use it.

**Mr TRELOAR:** I refer to Budget Paper 4, Volume 2, page 179. Under the Statement of comprehensive income there is a significant increase of almost \$1 million—in fact, very nearly \$1 million increase—in fines, fees and penalties for income 2015-16. What are the changes to individual fees and charges contributing to this increase in revenues, because it is significant?

**The Hon. I.K. HUNTER:** This is complicated, so I might give the committee a little detail if they can bear with me. Regulated and non-regulated fees and charges are subject to annual reviews as part of the budget process. Adjustment to fees and charges are based on the government's approved indexation rate and rounded in accordance with the whole-of-government guidelines. Regulated fees and charges require cabinet approval and are published in the *Government Gazette*



prior to changes becoming law. Regulated fees and charges were published on 18 June 2015. I understand that an indexation factor of 2.4 per cent has been used for setting of fees and charges that take effect from 1 July 2015, and the government's improved indexation is determined by reviewing recent movements, both CPI and public sector wages cost.

Fee variation regulations under the following acts administered by the Department of Environment, Water and Natural Resources have been made: National Parks and Wildlife Act; Natural Resources Management Act; Botanic Gardens Estate Herbarium Act; Heritage Places Act; Animal Welfare Act; Pastoral Land Management Conservation Act; Crown Land Management Act; Historic Shipwrecks Act; Native Vegetation Act; Water Industry Act; and, Marine Parks Act. In general, the Department of Environment, Water and Natural Resources fees and charges have been examined and increased where appropriate in line with the approved indexation factor of 2.4 per cent. There were some instances where fees were not increased at all.

The Department of Environment, Water and Natural Resources budgeted that, in 2014-15, \$1.922 million of income would be generated from regulated fees and charges, and \$3.591 million of income would be generated from unregulated fees and charges. I am advised that the majority of the department's fees and charges are GST exempt. In cases where it is appropriate to apply the GST rate, this has been incorporated into the fee structure, along with government indexation.

Rounding of fees and charges has been undertaken in accordance with the guidelines for the adjustment of fees and charges issued by the Department of Treasury and Finance. In most cases this has resulted in the deviation of no more than plus or minus 0.5 per cent on the improved indexation.

If you are interested, I am advised that an exception to the indexation guidelines has been applied under the Animal Welfare Act 1985 for teaching and research involving animals and permits to hold a rodeo. In 2009-10 the department recommended that fee increases that are applied on a triennial basis will remain unchanged in 2015-16 for this act. I am advised that under regulation 7.2, Botanic Gardens and State Herbarium Regulations, the board of the Botanic Gardens and State Herbarium has temporarily approved the waving of interest fees to the Bicentennial Conservatory until June 2016 due to collection costs outweighing revenue received. I am further advised that annual visitor numbers at the Bicentennial Conservatory have tripled as a result of waiving entrance fees, if you are interested in that.

**Mr TRELOAR:** Always interested.

**The Hon. I.K. HUNTER:** Always interested. Impact of fees and charges are analysed by the department and submitted to DTF based on both price changes and volume changes. The total revenue forecast for regulated fees and charges decreased by \$174,000 in 2014-15 and \$623,000 in 2015-16, and is mainly due to reduction in volume of activities related to the National Parks and Wildlife Act 1972 and the Natural Resources Management Act 2004.

The reduction in volume associated with the National Parks and Wildlife Act 1972 is mainly due to the current and predicted drying environmental conditions across South Australia and other parts of the continent, including the eastern states, that will likely affect the declaration of duck hunting in South Australia. As a result, this is expected to affect the number of duck hunters who will seek a permit for 2015-16 by approximately 1,800 permits.

The reduction in volume associated with the Natural Resources Management Act 2004 is mainly due to delays in developing systems and data sets for the introduction of new water licencing of the western and eastern Mount Lofty Ranges, so that has been pushed out.

**Mr TRELOAR:** I refer to Budget Paper 4, Volume 2, page 190, the paragraph indicating a statement of cash flows. They are administered items for DEWNR. Regarding proceeds from the sale of property, plant and equipment, can the minister provide a breakdown of those sales, generating a total of \$3.425 million in 2014-15? What asset sales are planned for 2015-16? Those assets are planned to net \$5.11 million.

**The Hon. I.K. HUNTER:** The Department of Environment, Water and Natural Resources contributes to the state government's economic growth agenda by practically working with other

government agencies, councils and the private sector to identify surplus crown land for sale. As of 25 June 2015 surplus crown land sales amounted to \$2.889 million.

The revised 2014 budget for DEWNR to achieve crown land sales is \$3.425 million. I am advised that the original budget for 2014-15 of \$1.7 million has been increased to reflect the transfer of a sales target for crown land of \$0.744 million related to a prior year's target which is no longer achievable, and an increased target associated with significant land transactions of \$0.688 million and \$0.293 million to fund costs of administering the disposal programs. This amounts to the revised budget total of \$3.425 million.

A return of \$1.860 million was achieved through the sale of land at Berri to the Berri Barmera Council. The land is earmarked as a residential subdivision area and will provide a benefit to both the state government and the Berri Barmera Council. The member for Chaffey will remember that story very well.

A further amount of revenue totalling \$0.662 million was achieved through smaller sales including perpetual lease freeholdings, the majority of which were under \$50,000, I am advised. All proceeds from crown land sales are returned to the Consolidated Account with the exception of direct costs relating to disposal, including valuations, surveys and determining surplus land.

**Mr WHETSTONE:** I presume Bangalore homestead would have been in amongst the mix there, minister.

**The Hon. I.K. HUNTER:** We are not quite sure; we think that might relate to a previous financial year.

**Mr WHETSTONE:** Minister, Parks and Public Access, Budget Paper 4, Volume 2, pages 170-172, under Targets 2015-16:

- Propose new recreational fishing opportunities by opening offline reservoirs and offering regional support grants and a trial of an artificial reef in collaboration with RecFish SA and PIRSA.

Is there a holdup with RecFish appointed—

**The Hon. I.K. HUNTER:** A holdup with RecFish?

**Mr WHETSTONE:** Is there a holdup with this program?

**The Hon. I.K. HUNTER:** Not at all, in fact, I think I was out at the Warren reservoir with the former member for Schubert, and the current member for Schubert, three or four weeks ago, dipping a rod into the Warren. So, no, not at all. I have always said that I wanted the Warren—and under significant pressure from the former member for Schubert, who concurred with this—to be the first cab off the rank as the driver for this program in terms of the off-line reservoirs, and by developing a relationship with local government in that area to show other local governments how it can be done, the Warren was to be our flagship. As I said, a few weeks ago I was there with the former member for Schubert and the current member for Schubert announcing significant progress in relation to the Warren, and also announcing how we are going to look at another four reservoirs including the Tod and a few others north of the Warren.

In terms of discussions around RecFish determining what sort of artificial reefs they wanted, that is still ongoing. I understand that RecFish are now considering a more ambitious reef. Initial discussions were about, 'Well, what sort of recreational fish species are we after?' and now the talk is about, 'Well, do we actually want to go after a more complex ecosystem which would underpin a more diverse fishing population around an artificial reef?'

You design artificial reefs dependent on what sort of ecology and species you are targeting, so hiding holes and nesting holes would have to be an appropriate size for the species, but we are now talking about, in fact, embracing a wider ambition of restoring some sea grasslands around an artificial reef which would actually encourage a much more biodiverse area, encouraging many different species rather than just targeting one.

So that discussion is ongoing, it is very encouraging and very exciting, and we are talking to non-government operators who may have significant private dollars to invest as well in other artificial

reefs or ecosystem revegetation to sit alongside what rec fishers might be asking for as well, so it is going to be quite exciting.

**Mr WHETSTONE:** Thank you, minister. Just a point of interest, I do not know whether you have had discussions with private business at Lake Bonney. They are putting in an artificial habitat, an artificial reef, and you, too, could dip your rod in the water up there, because it is proving extremely successful.

**Mr TRELOAR:** Let's call it 'wetting of the line'.

**The Hon. I.K. HUNTER:** A 'wetting of the line' alright. I understand the mullet caught at Lake Bonney have been declared fit to eat as well, so that is also very, very encouraging.

**The CHAIR:** Member for Bright, this might be an opportune time, given the time, to read in some omnibus questions, if you have some.

**Mr SPEIRS:** We have 10 of these, as follows:

1. Will the minister provide a detailed breakdown of expenditure on consultants and contractors above \$10,000 in 2014-15 for all departments and agencies reporting to the minister, listing the name of the consultant, contractor or service supplier, cost, work undertaken and method of appointment?

2. For each department or agency reporting to the minister in 2014-15, please provide the number of public servants broken down into heads and FTEs that are (1) tenured and (2) on contract, and for each category a breakdown of the number of (1) executives and (2) non-executives?

3. In the financial year 2014-15 for all departments and agencies reporting to the minister, what underspending on projects and programs (1) was and (2) was not approved by cabinet for carryover expenditure in 2015-16?

4. Between 30 June 2014 and 30 June 2015, will the minister list the job title and total employment cost of each position with a total estimated cost of \$100,000 or more which (1) has been abolished and (2) has been created?

5. For each department and agency reporting to the minister, please provide a breakdown of attraction, retention and performance allowances, as well as non-salary benefits paid to public servants and contractors in the years 2013-14 and 2014-15?

6. For each year of the forward estimates, please provide the name and budget of all grant programs administered by all departments and agencies reporting to the minister, and for 2014-15 provide a breakdown of expenditure on all grants administered by all departments and agencies reporting to the minister, listing the name of the grant recipient, the amount of the grant, the purpose of the grant and whether the grant was subject to a grant agreement as required by Treasurer's Instruction 15.

7. For each of the forward estimates, please provide the name and budget for each individual program administered by or on behalf of all departments and agencies reporting to the minister.

8. For each of the forward estimates, please provide the name and budget for each individual investing expenditure program administered by or on behalf of all departments and agencies reported to the minister.

9. For each department and agency reporting to the minister, what is the budget for targeted voluntary separation packages for financial years included in the forward estimates, by year, and how these packages are to be funded?

10. What is the title and total employment cost for each individual staff member in the minister's office as at 30 June 2015, including all departmental employees seconded to ministerial offices and ministerial liaison officers?

**The Hon. I.K. HUNTER:** I think the member for Bright used a phrase 'as approved by cabinet' and, of course, we do not respond to questions about cabinet, but I will take that to mean as approved by government in the Budget Papers.

**The CHAIR:** Indeed. We can probably squeeze in one more question, if anyone has one.

**Mr WHETSTONE:** I want to refer back to parks, as there were a couple of issues there, minister. You were talking about the success of the online booking. There have been a number of concerns about booking online into the Innes National Park, particularly with seasonal travellers as they do not pre-book—they book as they are driving. What has been evident is that people are not receiving receipt via email for up to two days so how would those people be able to prove their payment? I guess you would potentially acknowledge that this is a fault and one of the teething problems with this new initiative. Also, visitors wishing to access the Innes National Park can pay by cash at Port Vincent and Minlaton—it is approximately an hour's drive from the park—but the cash payment option is not available to Marion Bay, which is a three-minute drive from the park.

**The Hon. I.K. HUNTER:** They are good points. As I said earlier, we are looking at partnering up with private sector providers who can provide that convenience to travellers, of being open when they want to address these issues—if they do not want to use the technology that is before them. I acknowledge that we had some teething problems with the early stages of this innovation but, as I said, the second trial phase in the South-East has been working extremely well. I have not personally received, I do not think, any negative feedback about the second stage; it is mostly positive.

As in many things, this is the way of the future. People seem to prefer to be able to book online. If there are administrative hold-ups in terms of emails, I would like to get information about that and we run that to ground and check up, because that should be generated automatically after a booking has been concluded. If there is some problem with the software I would like to get to the bottom of that.

As I say, yes, there were some teething problems in the early stages of the trials—that is not unexpected; yes, we want to work with local private sector providers who can partner up with us to provide a better service to people who do not want to use that technology, but the second stage of trial has been very successful.

**The CHAIR:** In accordance with the agreed timetable, the committee stands suspended until 11.45.

*Sitting suspended from 11:30 to 11:45.*

#### **Membership:**

Mr Pederick substituted for Mr Speirs.

#### **Departmental Advisers:**

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

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

Mr P. Dolan, Director, Science Assessment and Planning, Environment Protection Authority.

Assoc. Prof. T. Hooker, Team Leader, Radiation Health, Environment Protection Authority.

Mr A. Wood, Executive Director Operations, Environment Protection Authority.

Ms R. Agate, Director Strategy, Environment Protection Authority.

Mr T. Mooney, Chief of Staff.

Ms L. Jensen, Adviser.

**The CHAIR:** The next session will be focusing on the EPA. It is the same budget line, but we are focusing on the EPA. Minister, do you have an opening statement regarding the EPA?

**The Hon. I.K. HUNTER:** The EPA protects, restores and improves the environment through the risk-based regulation of pollution, waste, noise and radiation. This year the EPA celebrated 20 years since the commencement of the Environment Protection Act 1993 and the formation of the

EPA. While significant advances have been made over the last two decades in our understanding and management of pollution, waste, noise and radiation, the EPA continues to learn and improve its operations. For example, the investigation of site contamination in Clovelly Park and Mitchell Park attracted considerable public attention last year. It was clear the community felt they were not being communicated with effectively and that they were not part of the decision-making process.

In response, the government established the Clovelly Park Mitchell Park Project Management Team to coordinate the government's response and to act as a central point of contact for the community. The Mid-Year Budget Review established a budget of \$848,000 for the project team. The government also allocated \$1.5 million to the EPA in the 2014-15 Mid-Year Budget Review for the assessment work undertaken in Clovelly Park and Mitchell Park. This assessment work commenced in August 2014 and was completed on 3 December 2014 with the delivery of the environmental assessment report.

The results of the assessment work have assisted the EPA in understanding the risk to residents and local community in the southern areas of Clovelly Park and Mitchell Park. The assessment work has also assisted the EPA in identifying potential sources of contamination, as well as allowing the EPA to continue its role as the environmental regulator. Further validation work was undertaken in March and April 2015. The EPA has agreed formal regulatory proposals with Renewal SA and Monroe Australia to undertake further assessment work in Clovelly Park and Mitchell Park as well as the Tonsley and Monroe sites.

In September 2014 the EPA Board initiated a review into the management of legacy site contamination issues in the state. The Site Contamination Review Committee, chaired by the head of the Victorian EPA, Cheryl Batagol, was formed to undertake this review. The committee released its report in February 2015. It concluded that legacy site contamination in South Australia is generally well managed but there are opportunities to improve, particularly in relation to interagency coordination, capability, community engagement and transparency. The report contains 11 recommendations to improve the management of site contamination, including how the EPA engages with the community on these matters. The EPA will continue to implement these recommendations and work to strengthen across government systems communications and guidance tools. In addition, the 2014-15 financial year saw the EPA complete a number of key projects.

In October 2014 the EPA issued a licence to Kimberly-Clark Australia for its Millicent Mill site activities. This significant milestone brought an end to the 50-year indenture the company had operated under, which allowed wastewater to be discharged into nearby Lake Bonney. The EPA worked with Kimberly-Clark Australia to minimise the impact of their discharges to Lake Bonney. Kimberly-Clark Australia's environmental initiatives have led to them being awarded the Federal Environment Minister's Award for a Cleaner Environment in November 2014.

With strong support provided by the EPA, Lake Bonney was reopened for human powered craft in October 2013. Many native species have now returned to the lake and recent scientific investigations of fish, such as mullet, have shown they are now suitable for human consumption.

The EPA has continued to work to ensure an effective environmental licensing regime for Nyrstar's transformed facility in Port Pirie. As part of its annual consultative program, the EPA has held various summits throughout the year, including a waste summit organised in collaboration with Zero Waste SA, bringing together industry and community representatives to discuss priorities for waste reform.

The need for further reform within the waste industry has been identified as a key priority for the EPA. As such, the EPA has been working very hard to implement a waste reform program. I look forward to working with the EPA and Green Industries SA to develop a package of reforms later this year.

Industry and community summits have also been held throughout the year, with stakeholders from across government, industry and the community in attendance. This included a regional visit to Port Pirie, where the board and executive met with stakeholders from both the Iron Triangle and Eyre Peninsula regions. I look forward to working with the EPA on its targets for 2015-16, including:

- Undertaking the waste reform program with Green Industries SA to provide the most effective regulatory tools to ensure best management practice in the waste and resource recovery sector.
- Further improving the EPA's approach to site contamination issues by continuing to implement recommendations identified by the EPA Board's Site Contamination Review Committee.
- Developing the EPA's licensing and compliance regime for the transformation of industries. This includes a new licence under the Environment Protection Act for Nyrstar's transformed facility in Port Pirie.
- Working with the EPA's licensed community, in particular small and medium businesses, to streamline regulation and reward good compliance behaviour.
- Informing, involving and engaging the community in addressing key environmental challenges through ongoing stakeholder and community engagement.
- Making data and information more accessible, including through improvements to the online public register, using the EPA's new website, and new licensing and waste systems.

I would like to finish by thanking and acknowledging the efforts of the staff in the EPA led by an outstanding chief executive, Mr Tony Circelli. I am prepared to answer questions, Mr Chair.

**The CHAIR:** Are there any questions of the minister?

**Mr WHETSTONE:** Certainly.

**The CHAIR:** Member for Chaffey.

**Mr WHETSTONE:** Minister, I refer to Budget Paper 4, Volume 2, Sub-program 1.1: Environment Protection, page 141, description objectives of the EPA. On 26 June, the Environment, Resources and Development Court found Adelaide Resource Recovery guilty of three breaches of its licence conditions for not storing contaminated soil from the new RAH site in accordance with the requirements of its licence conditions. There were obviously proceedings against that company. How much did it cost the government to prosecute the case—in legal costs, the collection of evidence by the EPA, compliance officers, preparation for the case, court lodgements, etc.?

**The Hon. I.K. HUNTER:** I will have to take that question on notice. Obviously, I do not have that level of information before me. I also note that there is ongoing work in relation to that area. There are some answers that I will not be able to give at this point in time because it might, in fact, impede further investigations, but I will undertake to get as much information as possible to you in relation to those detailed questions.

**Mr WHETSTONE:** Minister, are proceedings continuing with that prosecution?

**The Hon. I.K. HUNTER:** Not with that matter in particular but there is another matter that has already been lodged with the court, and we are still investigating whether there are any further proceedings that are open to us. You will understand that what I can say about those matters is rather limited by that ongoing action.

**Mr WHETSTONE:** Sure. Has the ARR avoided paying any solid waste levies by stockpiling soil on site?

**The Hon. I.K. HUNTER:** In relation to the previous question, my advice is no, that material was re-used as a capping material. Levies are only issued in relation to material movements in and out, not stockpiling, but stockpiling is an issue for the industry. It is something that was brought up in our industry summit earlier this year.

Speaking generally, not speaking about a particular company, stockpiling has been noted, particularly interstate, to be an exercise where avoidance mechanisms can come into play. That is something we need to think about and that is why we are thinking about the New South Wales system of mass balance regulations. It is something that I think one of the standing committees of parliament will be looking at shortly in relation to terms of reference that we have helped draft.

It is a move to a new higher level of regulation whose time has come for South Australia. Industry certainly supports it and I think it is something that we will be moving ahead with later this year. But, again, I would like to work with the parliamentary standing committee to get their impressions of that New South Wales regulation.

**Mr WHETSTONE:** With what you have just done, obviously, it has been reported that an estimated 39,000 tonnes of soil has been stockpiled on site. Is that the sort of behaviour you will be addressing or is that something that is part of process?

**The Hon. I.K. HUNTER:** Again, I will not be responding to any questions about a particular company or location. In that regard, I will talk generically. Of course, moving soils and other materials through waste industries more quickly is exactly what mass balance regulation is supposed to address. Through a mass balance regulatory approach, stockpiling does not become an issue. It is something you address at the gate, rather than on the way through, so that there is no economic benefit from stockpiling. That is the outcome we want to achieve.

**Mr WHETSTONE:** Moving on to the Clovelly Park-Mitchell Park contamination testing under Subprogram 1.1: Environment Protection on page 141, in last year's estimates, the amount of funding set aside for testing at Clovelly Park and Mitchell Park was approximately \$668,000 and that increased to \$1.5 million by January this year. What is the total cost to the EPA for the Clovelly Park and Mitchell Park testing in the 2014-15 year?

**The Hon. I.K. HUNTER:** My advice is the total cost for testing was \$1.5 million.

**Mr WHETSTONE:** Has the responsibility for ongoing testing been transferred to Renewal SA?

**The Hon. I.K. HUNTER:** That is my advice. Ongoing testing? Under our legislation, the owners of properties—including, for example, Monroe—have the responsibility to do that work. The EPA's job is to regulate that, and we will see the outcome of a third-party tester. Renewal SA, for example, in relation to the land they own, will have to engage an approved scientist or company to do the body of work that needs to be done. We or the EPA will then oversee that body of work.

The legislation we currently have is basically a 'polluter pays' process. Where we cannot identify the polluter—where there has been a passage of time and there is a new owner, or where the original polluter might have gone out of business, for example, over the space of 50 years—the owner is then responsible for the site, pending any contractual arrangements they might have had with the person they purchased from.

The EPA's job is to regulate them in relation to what they need to do in terms of follow-up testing. In relation to the transfer to Renewal SA in particular, but also other sites in the area, what we are trying to do now is pinpoint the locations of the original contamination and, if appropriate, pending the outcomes, then look at remediation of those sites.

**Mr WHETSTONE:** Minister, do you have any information about how much Renewal SA's testing program will cost?

**The Hon. I.K. HUNTER:** No, we do not. That would be a question best directed to Renewal SA through minister Rau and the same, I might say, applies to other agencies, such as DPTI, who have similar situations. You will need to address questions through those agencies and their ministers.

**Mr WHETSTONE:** Sure. As South Australia's environmental regulator, the EPA is overseeing these future investigations and has engaged in a formal regulatory agreement with Renewal SA. Renewal SA is currently responsible, as we know, for facilitating the redevelopment of the former Mitsubishi site at Tonsley. Is it a reflection of the government's confidence in the EPA that this function has been transferred from the EPA to Renewal SA?

**The Hon. I.K. HUNTER:** No, this is business as usual. As I said, the legislation provides that it is a polluter-pays concept rather than transferring all of that responsibility to the taxpayer, and so the owner of the property is responsible for the clean-up of the property or the testing that is required to ascertain what the response should be. The EPA's job is to regulate.

The EPA became involved in Clovelly Park and Mitchell Park because of advice from South Australia Health that there is potential for long-term human concern. That is why the EPA became involved at that point in time. Now that that has been resolved and we are going back to finding the source of the contamination and potential follow-up and rehabilitation of those sites, that is the job of the owners of the property. That is business as usual, and that is the way it should be.

As I said, the EPA is set up under legislation as a regulator. It is not best practice to have your regulator owning how you actually clean the site up. They are there to make sure the job is done properly in accordance with the current accepted best scientific advice and practice that we have but, as I said, rather than the taxpayer bearing the brunt of that, in most circumstances we prefer the owner of the property—hopefully the person or company who actually caused the contamination in the first place—to be responsible for its clean-up.

**Mr WHETSTONE:** And that would be Mitsubishi?

**The Hon. I.K. HUNTER:** Renewal SA, as I understand it, have contracted liability for the site contamination, along with Mitsubishi. Again, that is a question that needs to be directed to Renewal SA.

**Ms DIGANCE:** My question is on the 2015 Waste Summit. I refer the committee to Budget Paper 4, sub-program 1.1, page 142. Will the minister outline to the committee how the government is engaging with the waste and resource recovery sector regarding proposed regulatory reforms?

**The Hon. I.K. HUNTER:** I thank the member for Elder for her question. Again, I will speak generally rather than speaking about any particular company; I think that is safest. The government is strongly committed to engaging and consulting with all stakeholders, especially when it comes to broad reforms that have implications across our state. The waste sector is currently undergoing significant change, including, of course, from the government's perspective, the transition from Zero Waste SA to Green Industries SA and the drafting of the state's new waste strategy, which I touched on earlier.

In addition, the EPA is reviewing regulations to ensure better environmental outcomes and a more genuine and safe recovery of resources and a diversion away from landfill in many respects. All of this and more was on the agenda on 3 March 2015 when I convened the South Australian Waste Summit which I reflected on earlier and which was jointly hosted by the EPA and Zero Waste SA. This was a wonderful event that gave participants the opportunity to raise what they were thinking with the government, to discuss current waste management and how it could be improved, resource recovery practices, and cutting-edge techniques from overseas and how we might take those new techniques into how we develop our waste strategy in South Australia.

It was a well-attended summit. Sector representation came from the waste and resource recovery sector, of course, as you would hope, but also local government, urban renewal authorities, community organisations, interstate governments, state government boards and senior officials. Mr Stephen Beaman, the New South Wales director of waste and resource recovery, was the guest speaker and provided valuable insights into New South Wales' waste reforms and experiences which we will benefit from.

Key issues discussed at the summit included Green Industries SA and SA's Waste Strategy; urban renewal; waste-derived fill; asbestos management; application and use of the waste levy; energy from waste; upfront levy and mass balance reporting, which I touched on again earlier; and other reforms in the waste sector.

We were asking people and participants to comment on the draft summary report on the Waste Summit on the EPA and Zero Waste websites for several weeks following the summit. Consultation on the draft report has now concluded and a final report, I understand, has been released on the EPA website. There are a number of outcomes that have been followed up including continued consultation on the revision of the standard for the production and use of waste-derived fill; pursuing consultation on mass balance reporting and upfront levy liability schemes, again, to deal with the issue of stockpiling; pursuing the development of an energy from waste position statement; and exploring the potential for additional legislative tools to tackle illegal dumping. In addition, the EPA is hosting regular waste management industry reference groups to consult on waste reform



mechanisms. Four meetings have been held since September 2014, I am advised, with another meeting scheduled for July.

**Mr WHETSTONE:** In regard to the contamination testing, I refer to sub-program 1.1, page 141. The EPA commenced further investigations into the groundwater and soil vapour contamination at Beverly in 2014, and soil vapour results have been found to be higher than expected, with the TCE levels at about 97,000 micrograms in the worst examples. Minister, you informed the parliament this month that a human health risk assessment is expected from the EPA in late July. Has this report been received as yet and, if so, can you provide an update?

**The Hon. I.K. HUNTER:** My advice is that the report has been delayed because we wanted to get some more sampling, and so it is going to be delayed until late August.

**Mr WHETSTONE:** Can you rule out any residents needing to be relocated?

**The Hon. I.K. HUNTER:** We have no advice before us at the moment that would indicate that that would be the course of action to be favoured. We always act on the advice of the Department for Health in these matters. We are not the agency with expertise in human health matters; that is a health department issue. We have an arrangement with the Department for Health, of course, that they are intimately involved in these investigations, and effectively they make that call, not us. They are the experts in the area of human health. We supply them with information and we work very closely with them, and as I said, we have no such indication of any concerns of that level from the department.

**Mr WHETSTONE:** There must be a threshold of contamination or the TCE levels that would be of danger or of concern to human health?

**The Hon. I.K. HUNTER:** That is the very interesting question; no, there is not. Don't forget that the latest information about TCE is only a couple of years old and that is coming from the United States EPA, which is an incredibly conservative organisation. What we did develop, however, is a framework for government decision-making through the Clovelly Park and Mitchell Park experience, which then sets thresholds for what government will do at various levels of modelled TCE in the air, inside of buildings. We have a framework in place based on the best possible science we have available to us about how we will respond to those modelled TCE levels, and at this point in time, the advice we have from the Department for Health has no such concerns raised with us.

**Mr WHETSTONE:** If there is no threshold on the TCE levels, can you rule out any residents being in danger of being affected by the residue or the vapours?

**The Hon. I.K. HUNTER:** Again, that is not an area that I have expertise in. Human health impacts are the prerogative of the Department for Health. We take their advice on this matter and we have received no advice to give us any concerns about this. I know what you are trying to do in terms of directing these questions to us, but you need to understand that the EPA is the environmental protection and regulatory body; it is not the body that sets the targets or the framework or the limits for human health impacts; that is the Department for Health.

**Mr WHETSTONE:** So if there are no guidelines, the health department has no threshold to actually adhere to, to actually give recommendations?

**The Hon. I.K. HUNTER:** They would take the best available science from, for example, the United States and also Europe, and they have, as I understand it the last time I looked at this, conflicting thresholds. Health are the ones who are responsible for considering the scientific information about human health outcomes. They are the ones whose advice we seek, and we utilise that advice.

**Ms COOK:** My question pertains to Budget Paper 4, sub-program 1.1 on pages 142 to 143. Could the minister please outline to the committee how the EPA is progressively moving to provide the community with cheaper and better access to documents held electronically and on the public register?

**The Hon. I.K. HUNTER:** I thank the member for Fisher for that brilliant question; she obviously was listening to my opening statement, Mr Chair. Under the Environment Protection Act 1993, the Environment Protection Authority must maintain a public register of specified

information that must be made available for inspection by members of the public on payment of a prescribed fee. The fee is set in regulations under the EPA Act 1993 and is indexed annually.

In order to improve accessibility and transparency, the EPA is progressively moving to transfer archived records and manual documents into electronic formats. As this project is progressed, copies of documents held electronically on the public register can be provided by email or on disk rather than paper.

This project has resulted in large amounts of information being posted to the EPA website, including information relating to EPA licences and site contamination reports and notifications. Given that electronic copies of information are free, almost 100 per cent of public register requests are provided electronically now. A public register platform that has improved technology to allow for faster and simpler upload of information is scheduled to go live in the 2015-16 financial year. The project has already resulted in the following information being posted to the EPA website, I am advised:

- an index of notifications held by the EPA of potential or actual groundwater contamination areas;
- the provision of online access to 2,200 licences issued by the EPA;
- an index of all post-2009 site contamination audit reports and notifications received by the EPA;
- new licence applications, enabling comment from the public to be made on these electronically online; and
- an index of environment protection orders issued by the EPA.

Details of all prosecutions undertaken by the EPA are also available on the EPA website, I am told. This means that approximately 40 per cent of the information most typically requested from the EPA public register is now available on the EPA website.

Also, the EPA's Licensing Administration Modernisation Project (LAMP) is expected to go live in the first half of this financial year and will further assist in improving access to the public register for the community. The LAMP will automate and simplify the upload of information to the EPA website for several categories of public register information. This will ensure that the community can access these documents at a significantly reduced cost.

The Statutory Authorities Review Committee has recognised the progress made by the EPA in providing information to the public. Upon completion of its inquiry into the operations of the EPA in 2012, the committee noted that the EPA 'has been progressively adding a considerable amount of publicly accessible public register information onto its website' and that '...the EPA has markedly improved its transparency and accessibility of information in relation to site contamination'. So, a gold star there from the Site Contamination Review Committee. I commend the EPA to continuing that effort of openly communicating with the public and being transparent in the records it holds.

**Mr WHETSTONE:** Minister, I want to go back to the Beverley issue. With the contamination there, how much of the EPA's additional expenditure in 2014-15 is related to testing at Beverley?

**The Hon. I.K. HUNTER:** I do not have an absolute figure, but it is in the order of \$140,000, I am advised. I have had an updated piece of information thrust into my hands which is substantially more: in 2014-15, I am advised that \$235,420 was expended by the EPA in relation to further assessments at Beverley.

**Mr TRELOAR:** I refer to Budget Paper 4, Volume 2, page 141, with regard to financial commentary. One of the recommendations, minister, of the review of the Clovelly Park contamination issue was to identify high-risk sites which may have been subject to site contamination; in other words, a contaminated sites register. In February, you advised parliament that a funding plan would need to be developed to determine the cost of this recommendation and then go through the budget process. Has any scoping been done as yet on the cost of this recommendation, minister?

**The Hon. I.K. HUNTER:** In relation to that recommendation, the EPA Board has resolved the following in relation to known contaminated sites. In response to recommendation 7 of the Statutory Authorities Review Committee report, inter alia the EPA will be working within existing

resources, with the EPA establishing, in the first 12 months, an annual works program with government, which currently includes eight sites which require assessment works.

Funding for these sites was received as part of the 2014-15 midyear budget with the initial assessment works being funded up until 30 June 2015. Pending results, further assessment work of some degree—be it seasonal or variation analysis, or delineation of off-site contamination—is expected on most, if not all of these sites, until the 2015-16 year.

The EPA will continue to work proactively with fuel majors looking to restore and remediate their facilities across the state. The EPA has commissioned works for these sites as there is no legally identifiable or able, responsible party under the Environment Protection Act 1993 that would otherwise be held responsible for the assessment and any necessary remediation. So, this is an example of a case where there is no current owner or polluter to go to. The EPA will continue to undertake this non-statutory function in addition to its traditional regulatory functions to oversee and regulate the site contamination system in South Australia.

As part of this program, in the coming year the EPA will also focus on ensuring the clear and consistent at-risk based consideration of site contamination in the planning system undertaking a broader education campaign in relation to the use of groundwater and general awareness of site contamination and reviewing a program for off-site risk assessment of site contamination files held by the EPA. So, if you like, going back to older, held files.

**Mr TRELOAR:** I appreciate that very full answer. For clarity, is the government looking to get advice either internally or externally about any ongoing liabilities with regard to contaminated sites?

**The Hon. I.K. HUNTER:** Ongoing liabilities pertaining to owners of sites?

**Mr TRELOAR:** Yes.

**The Hon. I.K. HUNTER:** There are a couple of issues to be determined: is there an ongoing contractual liability to a site? Can we pin down an existing owner? For example, if a subsequent owner has purchased a site and the contract says they are taking on liability for known, or even unknown pollution on that site, potential pollution, they will then have the responsibility for that site.

There will be current owners, and I am thinking potentially of a dry-cleaning body, who are the polluters; and they may have been in place for 30, 40 or more years, but their business may not be in such a financial position that they could undertake to pay for remediation works. In that situation, the government is left with a choice: do you bankrupt the business trying to return some moneys to clean up these sites or do you, in fact, take it on yourself? In these cases, the EPA resolves to actually take on that issue themselves because there is no benefit in driving a business to the wall because of historical contamination legacies, for example. That is a case where the taxpayer will absorb that amount.

Then there are the sites where we find legacy issues where there is no clear polluter who can be put into the frame, or there may be issues, as we saw with Mitchell Park and Clovelly Park, of public health concern where the EPA would then step in and accept that responsibility on behalf of the community. They are the range of factors we need to weigh up, but the legislation puts in a hierarchy of priorities. The first priority is to try and ascertain who caused the contamination in the first place and who is currently responsible for it. Then, if we can identify those persons or corporations, we work with them to make sure they put in place the required testing regimes and potential rehabilitation requirements as well.

**Mr PICTON:** My question relates to page 141. Will the minister provide the committee with information regarding the EPA's aquatic ecosystem condition reports?

**The Hon. I.K. HUNTER:** I thank the honourable member for Kaurua for this wonderful question. During the 2008 and 2009 financial year—and this is one of my favourite parts of the EPA—the Environment Protection Authority reviewed its water quality monitoring program for surface waters including creeks, rivers, lakes and marine waters.

The review resulted in a substantial shift in focus this year: instead of using traditional water chemistry, the focus became an evidence-based approach covering multiple aspects including

biology and habitat characteristics, and you can see my interest because it plays very closely into synergies with the Department of Environment, Water, and Natural Resources. The findings and recommendations from the review are contained in the South Australian Aquatic Ecosystems Monitoring Evaluation and Reporting Program.

The new eco-system assessment model for this revised program was based on an approach used by the EPA in the United States, I am advised. It describes water health and ecosystem condition on a six-level radiant from excellent through to very poor. Aquatic Ecosystem Condition Reports, known as AECRs, are the primary way of reporting the findings of the monitoring evaluation and reporting program. AECRs contain a combination of simple and graphic design elements, with easily accessible key messages, as well as more detailed scientific information for those who want to go to it.

In 2014, inland surface water AECRs based on 2013 data were released, covering 77 sites in the Adelaide and Mount Lofty Ranges and Kangaroo Island NRM regions. Near-shore marine waters AECRs were also released in 2014, covering two marine bio units in the Upper Spencer Gulf, based on 2012 data. This year, inland service water AECRs will be released, covering 40 aquatic ecosystem sites in the South-East NRM region, based on 2014 data, and near-shore marine waters AECRs will also be released, covering seven marine bio units off the West Coast of South Australia, based on 2014 data.

It is important to note that, in addition to identifying problems, these reports identify ways of managing and addressing ecosystem conditions as an entire ecosystem—it is not just the waterway itself. AECRs and supporting data will continue to be released annually, based on monitoring data collected during the previous calendar year. All AECRs are available through the EPA website and through the government's WaterConnect website. The EPA will continue to consult with stakeholders to ensure that AECRs contain the most relevant and up-to-date information, vitally important for people who take water for productive use, vitally important for local government, for NRM boards, for community organisations and NGOs and, of course, vitally important for government as well.

**Mr TRELOAR:** Budget Paper 4, Volume 2, page 149: I refer to the solid waste levy. Under the Environmental Protection Act of 1993 the levy is collected by the EPA and a portion, around about 50 per cent, is transferred to the Waste Resources Fund. How much of that fund was spent in 2014-15, and how much was in the fund as at 1 July 2015?

**The Hon. I.K. HUNTER:** Part of that question is best directed to me when we have Zero Waste in, as they are the ones who administer that fund, but I will see what information I can give you, given that we have been very flexible this morning. South Australia's waste industry has an annual turnover of about \$1 billion, contributing \$500 million to the gross state product, and it employs about 5,000 people. The levies are an important tool for managing waste and encouraging recycling. In deciding the quantum of the levies, government takes into account downstream impacts and benefits, as well as managing cross-border impacts with other states.

Increasing levies supports industry and reaching the point where investment in alternative resource recovery treatments will be as financially competitive as sending waste to landfill, so it is an economic driver of alternative practices to take waste away from landfill and put it to other uses.

Section 113 of the Environment Protection Act 1993 allows for the waste levies, as noted in the question. The payment of levies is calculated as follows: for the solid waste levy, the tonnage of waste received is measured using specific calculation methods and reporting requirements, depending on the size and location of the landfill; and, for the liquid waste levy, it is a volume in kilolitres that is measured and reported on.

This 2013-14 budget proposed to incrementally increase the solid and liquid waste levies to realign levy values in the short to medium term in order to drive better waste management. Fifty per cent of the collected solid waste levy is transferred to the Waste Resources Fund; 5 per cent is provided to the Environment Protection Fund; and, the remaining 45 per cent is used in part to fund EPA services. That part we can talk about here.

The funds collected through the levies are used in part to support programs such as waste minimisation, resource recovery and KESAB litter strategies, and are also used to support the EPA in administering the Environment Protection Act, including licensing, waste tracking and compliance.

The Zero Waste SA Act, on the other hand, establishes a dedicated fund, the Waste to Resources Fund, which Zero Waste SA applies through an improved business plan to achieve objectives in South Australia's waste strategy.

The Zero Waste SA Act ensures that the Waste to Resources Fund can only be used for purposes pursuant to the act, and actioned through a business plan. Expenditure authority to apply monies to the Waste to Resources Fund is approved in the annual state budget. Where revenue exceeds the expenditure authority in the budget year, these funds are held in the Waste to Resources Fund for access in future budget years.

Moneys in the Waste to Resources Fund attract monthly interest which is also deposited in the Waste to Resources Fund. From 2003 to mid-June 2015, Zero Waste SA has invested approximately \$89.05 million of waste levy funds on programs and projects that encourage councils and business and the community to reduce, recover, reuse and recycle waste.

These projects have proved to be successful. They have cut the amount of waste going directly to landfill. Through these efforts we have achieved our 2014 State Strategic Plan target of a 25 per cent reduction in waste to landfill since 2002-03. Overall, the long-term trend for resource recovery in South Australia remains upwards.

The waste levy is part of the suite of tools the government is using to support a reduction of waste to landfill, when used alongside other measures such as grants, loans, education and awareness raising. The Waste to Resources Fund balance is currently estimated to be \$68.57 million by the end of 2014-15.

**Mr TRELOAR:** Sorry, minister, could you repeat that figure?

**The Hon. I.K. HUNTER:** It is \$68.57 million by the end of 2014-15.

**Mr TRELOAR:** It seems like a lot of money.

**The Hon. I.K. HUNTER:** Well, it is a lot of money but, as I said, we have spent approximately \$89 million in preceding years allocating that to business, local government and councils to drive the redirection of waste away from landfill. So it is important to have that, and that money is expended on business cases and it gets Treasury approval.

**The CHAIR:** Minister, have you finished your answer?

**The Hon. I.K. HUNTER:** I have. Something else that members might like to reflect on is that the waste levy is not expended in every year, and I do not think it ever has been, certainly not recently, but bear in mind it is useful to keep some of that money in the sinking fund. You can imagine: if there was a major flood or an environmental disaster that wiped out a lot of local government waste infrastructure in our rural and regional part of South Australia, they might have a very sudden call on that levy to reinstitute that waste infrastructure, and we will have that in the sinking fund to act on if we need to.

**Mr PEDERICK:** I refer to Budget Paper 4, Volume 2, page 141, Sub-program 1.1: Environment Protection, Murray River greywater discharge from houseboats and the inspection regime. I note that:

The EPA administers and enforces the Environment Protection Act 1993 by:

- licensing, inspecting and auditing activities that have an impact on the environment

How many full-time equivalents in the EPA are dedicated to audits?

**The Hon. I.K. HUNTER:** I am advised, one FTE.

**Mr PEDERICK:** One FTE.

**The Hon. I.K. HUNTER:** They do a fantastic job.

**Mr PEDERICK:** Absolutely, obviously, if there is only one. How many full-time equivalents are dedicated to the whole Murray River, Lakes and Coorong operation? Is it just that one FTE?

**The Hon. I.K. HUNTER:** My advice is that there are five FTEs inside the EPA, but do not forget we work very closely with officers and staff of local government in this regard, and also with DEWNR.

**Mr PEDERICK:** In regard to Budget Paper 4, Volume 2, page 140, Fees, fines and penalties in the program summary table, can the minister provide a breakdown of fees, fines and penalty revenue collected in 2014-15, as well as budgeted revenues in 2015-16?

**The Hon. I.K. HUNTER:** I am advised the EPA operates a full cost-recovery system for both its core role in administering the licensing system under the EPA act, and for radiation services with an estimated \$12.68 million received in 2014-15. On 1 July 2010, the Environment Protection Regulations 2009 (an amendment bill, I imagine) introduced late lodgement and late payment penalties for authorisation holders. For the 2014-15 financial year, approximately \$150,815 in late lodgement and late payment penalties were paid to the EPA.

In terms of fines and penalties, non-compliance can result in expiations or civil and criminal penalties under the Environment Protection Act 1993. This financial year, the EPA successfully achieved fines and penalties totalling \$214,161. Since 30 June 2014, there have been five successful prosecutions and four civil penalties. Notable cases include an individual prosecuted for two counts of using abusive, threatening or insulting language towards an authorised officer, and an individual prosecuted for the illegal disposal of waste concrete to a vacant block. This was the highest number of enforcement actions taken by the EPA in one year.

**Mr PEDERICK:** The end question is: what are the budgeted revenues in 2015-16 in regard to fines and penalties?

**The Hon. I.K. HUNTER:** I imagine they will be in the budget papers. I will just have my staff flick through for you, although you might have done this work whilst you were coming in, member for Hammond. In the Agency Statements, Vol. 2, if you look down that table that is provided headed 2014-15 Estimated Result for budget 2014-15, and 2013-14 Actual, go down to Income: on the fourth line down, under 'Fees, fines and penalties' you will see an amount there of \$61,386 in the 2015-16 budget.

**Mr PEDERICK:** Thank you.

**The CHAIR:** As agreed, we will move on to Zero Waste.

#### **Membership:**

Mr Speirs substituted for Mr Pederick.

#### **Departmental Advisers:**

Mr V. Levitzke, Chief Executive, Office of Green Industries SA.

Mr I. Harvey, Director Operations, Office of Green Industries SA.

Ms C. Yin, Finance Officer, Officer of Green Industries SA.

Ms V. Caire, Manager, Government Business, Office of Green Industries SA.

Mr T. Mooney, Chief of Staff.

**The Hon. I.K. HUNTER:** We find ourselves at a unique time in our state's history as Zero Waste SA has transitioned to a new agency, Green Industries SA, which commenced operations from 1 July 2015, through the establishment of the Office of Green Industries SA. We are in the process of developing a bill to establish Green Industries SA as a statutory corporation, governed by a skills-based board, and supported by the Office of Green Industries SA.

In the interim, and at my request, the board of Zero Waste SA, established under the Zero Waste SA Act 2004, has been reappointed to provide oversight and advice relating to Green Industries SA. A budget of \$4.122 million has been allocated for 2015-16 to establish the new authority, which will build on the many successes of Zero Waste SA and will assist South Australia to:

- continue leading the nation in waste management and keep South Australia at the forefront of green innovation technologies;
- encourage innovation and economic growth through the green economy;
- help businesses define new overseas markets for their waste management knowledge and skills;
- help businesses to reduce their costs through more efficient use of raw materials, water and energy;
- administer grants to local government and industries to explore new technologies; and
- report against waste to landfill targets.

In addition, the state government will continue to attract investment, drive innovation and create jobs through the transition to a low carbon economy.

We have committed to making Adelaide the world's first carbon neutral city through the establishment of a carbon neutral Adelaide Green Zone. Green Industries SA will work to realise the economic potential from innovation in technology through an ambitious Third Waste Strategy for South Australia in 2015-20, which will be adopted this year. Our aim must be to help South Australian businesses become even more resource efficient, more resilient and more competitive because this will help secure South Australia's economic advantage, maintain and grow our prosperity, while at the same time protect the environment.

The waste and resource sector is already moving in this direction, spawning the growth of innovative companies that are developing new technologies for re-manufacturing products from recovered waste materials.

South Australia is perfectly placed to capitalise on overseas business opportunities by supplying our expertise, knowledge and technology. More so than ever before, the success and implementation of waste strategies will require shared responsibility across government, business, industry and particularly the community.

From 2003 to April 2015, Zero Waste SA invested approximately \$88.16 million of waste levy funds into programs and projects that have stimulated councils, businesses and the community to reduce and recover, re-use and recycle, thereby cutting the amount of waste going directly to landfill. Everyone in the community benefits from this investment of the waste levy through access to new or improved household kerbside recycling services, creation of jobs to construct and operate and maintain new and expanded reprocessing and sorting facilities throughout the state, and industry focused programs resulting in less waste produced and reduced operating costs to business.

I have no doubt that through the work of Green Industries South Australia, South Australia will maintain its leadership in this area and its reputation as a state willing to put policies in place that will improve our health, our environment and our economy at the forefront.

**The CHAIR:** Are there any questions of the minister?

**Mr WHETSTONE:** As to the transition from Zero Waste SA to Green Industries South Australia, can we talk about the transition between the two? Obviously legislation will be drafted in the 15-16 year to establish Green Industries SA as a statutory authority governed by a skills based board. The board of Zero Waste SA will provide oversight and advice to the minister on Green Industries SA and during that transition to the new legislative framework. The budgetary information for Green Industries SA is not presented in the 15-16 Agency Statement, so was Green Industries SA legally established by 1 July 2015?

**The Hon. I.K. HUNTER:** As the new legislation for Green Industries SA is not yet in place, as I mentioned in my opening statement, the board of Zero Waste SA established under the Zero Waste SA Act has been reappointed to June 2016 to provide oversight and advice on the establishment of the new authority. The office of Green Industries SA was established by proclamation effective as of 1 July 2015.

**Mr WHETSTONE:** Minister, why wasn't legislation drafted prior to the change, and when will the bill be introduced?

**The Hon. I.K. HUNTER:** As I said, the bill will be introduced subsequent to stakeholder discussion. We do not as a government, generally speaking, rush into major change like this without talking to our stakeholders first on what the legislation should encompass and what the priorities should be. By doing this by proclamation we can establish Green Industries SA, start that transition work, start the board of Zero Waste SA giving us some direction about how Green Industries SA should be pointed, if you like, but first and foremost we want to talk to our stakeholders to find out what their priorities are going to be, where they want us to see for businesses going into the future so that we can assist them from government to drive that further innovation.

We know already that the waste industry, for example, employs about 5,000 South Australians. It is a very important industry. There are no longer the dirty old jobs that people might have in their minds that waste used to be. They are becoming high-tech jobs and it will not be far off before you will see requirements for employment in the waste industry requiring software engineering qualifications, for example. A lot of these industries are now utilising very technologically advanced infrastructure and machinery. Unfortunately, some of that is manufactured overseas and I would like to see that manufacture brought back to Australia and South Australia to drive further uptake in innovative infrastructure change for our state.

**Mr WHETSTONE:** Did stakeholders express concern that Zero Waste was globally recognised and now has been lost?

**The Hon. I.K. HUNTER:** Concern has been expressed that in this transition we do not want to see the advances that we have made put to the side, and that has never been the intention of the government. What we want to do is not rest on our laurels, not sit comfortably on what we have already achieved over the last several years. We want to drive innovation, investment in waste industries even further, and that means being fleet of foot, looking where the opportunities are going to arise in the future, not sitting back and congratulating ourselves on the great success that we have had, and Zero Waste has had great success. It is time to mainstream some of that success, give the responsibility back to local government, to business, after we have driven that innovation, and look for new opportunities, look at where we can actually work with business to drive it to an even higher level. That is what we are intending to do.

**Mr WHETSTONE:** That could not have been done with Zero Waste?

**The Hon. I.K. HUNTER:** As I said, Zero Waste had an agenda to achieve, and it largely achieved it. It drove cultural change in business and in the community. It drove the change to the three-bin system across most local government areas—not all, but most. It drove the reduction in waste to landfill. It drove that through its agenda. But what we want to do now is talk about jobs. We want to talk about the clean green jobs in the waste industry into the future. We are redirecting the efforts of Zero Waste into Green Industries to pointedly take business with us to grow those opportunities that are sitting there, but it is going to take innovation and it is going to take a new direction, and that is why we have decided to form this new body.

**Mr WHETSTONE:** Will Green Industries be included in the next set of budget papers and will it still produce an annual report to parliament?

**The Hon. I.K. HUNTER:** That will be my expectation.

**Mr WHETSTONE:** The budget states that Green Industries SA will have a total budget of \$4 million per annum, comprised of additional funding of \$3 million and a redirection of \$1 million of assisting funding that had been set aside to support future waste policy reform. Is this still correct?



**The Hon. I.K. HUNTER:** In my opening statement I think I mentioned that a target of \$4.122 million has been allocated for 2015-16 to establish the new authority. That is still my information, I think.

**Mr WHETSTONE:** So Green Industries SA's annual operating budget will be \$4.2 million?

**The Hon. I.K. HUNTER:** Correct—\$4.122 million.

**Mr WHETSTONE:** Thank you, minister. Just moving on to residual funds, Budget Paper 4, Volume 4, page 206. Under the Environment Protection Act 1993, the levy is collected by the EPA and a portion (50 per cent) is transferred to the Waste to Resources Fund, which Zero Waste SA draws on to achieve its objectives. With Zero Waste SA operations ceasing on 30 June, what will happen to these funds?

**The Hon. I.K. HUNTER:** My advice is that those moneys will remain in the fund as long as the Zero Waste SA Act continues in operation, so we need to await legislative changes to see what will happen there. My expectation is that the fund will be utilised for the same purposes under the act, unless parliament makes a determination otherwise.

**Mr WHETSTONE:** Can you just elaborate on what that fund will be used for?

**The Hon. I.K. HUNTER:** The purposes of the fund are enumerated in the act. Do we have the act with us, or information about that? It is in the act; you could look that up for yourself. I am advised that it is also in the business plan, which is on our website. The key objectives related to the expenditure are:

- To work with businesses, governments and the environmental sector to keep South Australia at the forefront of green innovation in the waste, recycling and resource recovery sectors.
- Help businesses and government to make more efficient use of raw materials, energy and water, thereby reducing consumption, reducing waste, and reducing costs.
- Administer grants to local government and industry to explore new technologies.

We have an innovation grants program to do that. Other objectives are:

- Benchmarking and developing the waste, recycling, resource recovery and related sectors in South Australia.
- Helping businesses find new overseas markets for their waste management knowledge and skills.

Another key objective is to build on the success of Zero Waste SA in delivering reduced waste to landfill and increasing the state's capacity for recycling:

- Measurement, analysis, evaluation and reporting to support targets and assess the adequacy of the waste strategy.
- Waste policy and advocacy.
- Waste strategies policy and review.
- Implementing South Australia's waste strategy.

And I mentioned that we are in the throes of developing our third one for 2015-20—

- Support implementation of the waste strategy.
- Community education and litter education.

And largely, as I mentioned in my opening statement, that is done through our work with KESAB environmental solutions partnership—

- Litter data and research and branded litter monitoring.
- Community litter, education, resources and campaigns.

- Consumption and waste avoidance and sharing initiatives.

Share N Save was the highlight of that for the last financial year. And then we come down to corporate support. So all of those functions are in the act itself.

**Mr WHETSTONE:** The \$1.9 million increase in income is primarily due to the high intergovernment transfers from the EPA for higher solid waste levy receipts. How much did Zero Waste invest in recycling and waste reduction programs in 2014-15?

**The Hon. I.K. HUNTER:** Zero Waste SA's metropolitan infrastructure program provided assistance to industry aimed at increasing South Australia's capacity for local repossessing of recyclable material into high value end products. Investing in infrastructure enables greater re-use of waste materials. Priority projects identified for funding in this program included infrastructure projects, improving recovery of materials from e-waste, whitegoods and fluorescent lighting, and supporting the re-use of products, including increased resource recovery from kerbside hard waste.

Seven rounds of funding have been awarded under the metropolitan infrastructure program since 2004, with a total Zero Waste SA funding commitment of \$6.56 million for 29 metropolitan infrastructure projects. This investment has expanded the state's capacity to recycle and re-use waste materials within the economy and has helped consolidate South Australia's reputation as a leader and innovator in recycling and resource recovery. I think I am advised that, in the last budget, \$7.1 million was allocated for those purposes and for similar purposes. I have many other examples I can go to if the committee is interested.

**Mr TRELOAR:** I refer to Budget Paper 4, Volume 4, page 201. There is a summary of the program net costs on that page. I am going to ask you a question, minister, about problematic waste streams and I am thinking particularly of e-waste, tyres, vineyard waste and that sort of thing. Can the minister provide an update on how negotiations are progressing with the commonwealth regarding the management of e-waste?

**The Hon. I.K. HUNTER:** It is a very good question. In fact, as I said earlier, in Melbourne last week, we had a meeting of environment ministers with the commonwealth. E-waste, in particular, was part of our agenda discussion but also product stewardship in general and we were talking about, for example, batteries and tyres as well. Some of this is quite problematic and you may recall that last year, particularly in relation to e-waste, I mounted quite a significant campaign with the federal government to redress the balance in terms of industry support.

You will recall that e-waste product stewardship was put in place under a federal government act of parliament, which started out at a very low level and was supposed to ramp up by 5 per cent every year reaching, I think, 80 per cent after a number of years. What became very clear was that, in fact, this low starting product stewardship was very inadequate for what the community wanted.

They went from something like 30 per cent to 35 per cent, where a lot of e-waste was being dumped at our recycling infrastructure, be it local government or otherwise, much in excess of what the producers of this electronic equipment were prepared to pay under their product stewardship arrangement with the federal government.

As I said, I had a bit of a campaign. In particular, it was of concern to us because a number of industries here that employed particularly vulnerable people—people with disabilities—were in the frame because they could not get enough electronic waste at a reasonable price to maintain their business throughout the whole year.

We agitated with the federal government and minister Hunt, and I am very pleased to say that minister Hunt took those comments on board and, collectively with environment ministers around the country, agreed to increase the level of e-waste to be looked after by the producers of electronic material up to 50 per cent by this next coming financial year and then to increase it further over a longer period of time up to 80 per cent.

That was a big achievement because it means that now we will be able to accept more e-waste through the gate and provide more certainty to those businesses who are working in that area. But, again, it comes to the point of product stewardship. It comes to the issue of who is responsible for this material. At the end of the day, it is the producers of the materials. They need to

build in end-of-life requirements into their pricing mechanisms for these materials and take responsibility for it.

It is not just e-waste. As I said, tyre manufacturers are working with us in this and batteries are a particular problem. We need to work with industries. Some segments of industries are particularly positive in their engagement with government and others less so and that makes an industry-wide approach quite difficult, but, at the end of the day, if we cannot do it by agreement, we will do it by legislation.

**Mr TRELOAR:** On the same budget line, you talk about e-waste, tyres and batteries as being particularly problematic. What about the large volumes of green waste? I am thinking particularly in this state where we produce a lot of wine and wine grapes that there is probably a significant proportion of green waste and some of that green waste is harder green waste. What are your thoughts on how that is progressing?

**The Hon. I.K. HUNTER:** We actually have a very good program in terms of metropolitan green waste. We have a lot of composting. I am thinking of Jeffries, for example, which takes a lot of organic waste from local government and other providers. But if you are referring to agricultural organic waste, that is another issue altogether because the problem there is that, whilst it is organic waste—be it effluent from piggeries or other green waste from wineries or other agricultural industries—the problem comes down to transport costs and being able to get that product down to someone who can utilise it who may be hundreds of kilometres away which really has a negative impact on the business case.

The next area for us to work with is localised community waste. It may well be the future there—and, again, it comes down to individual businesses—is energy production on site. They might be able to utilise their localised green waste to produce energy which could feed into some of their plant and equipment. I am thinking particularly about wineries associated with vineyards, for example, but that is something that needs to be developed on a case-by-base basis for those individual businesses, unless you are dealing with a localised area like perhaps Kangaroo Island which may have green waste from their forestry industry. There has been some discussion about how they can utilise that waste in terms of energy generation. Again, it is an industry-by-industry position. It is the next step, if you like, in terms of where we are going at a federal and state level in terms of green waste.

**Mr WHETSTONE:** It is green waste and it is vineyard waste, but it is also the green posts.

**The Hon. I.K. HUNTER:** Are you talking about those that are arsenic treated?

**Mr WHETSTONE:** Yes. There are an estimated 100 million broken green posts laying idle in paddocks. There are also many hundreds of thousands of kilometres of drip tape that is sitting in rolls in open paddocks that is not being dealt with. Does the government have any programs or any intention of dealing with that waste?

**The Hon. I.K. HUNTER:** I might ask my chief executive, Mr Vaughan Levitzke, to respond to that question.

**Mr LEVITZKE:** We do have an arrangement that we put in place quite recently with the horticultural industry to the north of Adelaide to bring back plastic irrigation pipe to reprocessors just to the north of Adelaide. That is about to kick off. In terms of the CCA-treated timber posts, it remains a problem and we have looked at a number of different technologies over the years, but none of them have been economically viable or proven enough to be able to implement in a cost-effective way, so we remain open to developing those technologies. I am talking to a university tomorrow as I would like to encourage them to start thinking about tackling some of these big problems because it has worldwide application if we find the solution.

**Mr TRELOAR:** Can I suggest that there would be other jurisdictions which are dealing with this issue right around the world?

**The Hon. I.K. HUNTER:** As my chief executive noted, we will have a crack at all the opportunities for us.

**Mr SPEIRS:** My question refers to Budget Paper 4, Volume 4, page 204, with the heading Performance Indicators. There is a description of the 2014 target being 50,000 tonnes reduction and the estimated result being a 15,000-tonne reduction, which is a substantial difference. Can the committee be provided with more details about the failure to reach this target?

**The Hon. I.K. HUNTER:** We have an ambitious landfill reduction target, as you noted, of 50,000 tonnes for 2014-15. South Australia's total landfill disposal during 2013-14 was 0.914 million tonnes. I am advised that approximately 5 per cent, roughly equating to 49,000 tonnes, of this was contaminated soil from construction activities. In 2014-15 I am informed that South Australia's landfill disposal, as at the latest available date of April 2015, is 0.738 million tonnes and approximately 4 per cent of this, equating to 31,500 tonnes, was contaminated soil.

I am also advised that current estimates based on April 2015 landfill data indicate that an overall landfill reduction of 15,000 for 2014-15 since 2013-14 may be achieved, clearly falling short of the original target of 50,000 tonnes, but as stated previously, since 2003-04 the state government has undertaken an annual review of recycling activity to monitor the progress in this state. Once all landfill and recycling activity data has been gathered and analysed for 2014-15, we will have a greater understanding of any issues that may be influencing our overall landfill reduction performance.

Also as previously stated, South Australia has an overarching target to reduce waste by 35 per cent by 2020 and to achieve a milestone of 25 per cent by 2014. The 2014 landfill reduction target was actually surpassed, with South Australia achieving a greater than 25 per cent reduction since 2002-03.

So in spite of any possible decreased landfill reduction results for 2014-15, based on the current trend, progress towards achieving the 2020 target of a 35 per cent reduction is still on track. Current landfill data shows that South Australia has reduced waste to landfill by 27 per cent from 2002-03 to April 2015. I am encouraged by any future diversion gains that the state will achieve, following the state government's investment in recycling infrastructure in 2014-15, which will continue to influence further diversion of resources away from landfill.

For example, in 2013-14 the state government approved providing up to \$300,000 to the Southern Region Waste Resource Authority for a facility that will receive and sort dry hard refuse and will also include an education centre. I am informed that initial estimates indicate that this site, once fully operational, may contribute to the diversion of approximately 30,000 tonnes of waste from landfill every year.

**Mr SPEIRS:** There is no target listed in the budget papers for the 2015-16 financial year. What would the hypothetical target be for that?

**The Hon. I.K. HUNTER:** As I said in my last answer, we are still gathering data which will bear on that target. We missed the projection because we are waiting on that data, but as I said, also in terms of that infrastructure that we are hoping to come on stream very shortly, that will go a considerable way to meeting that target for us.

**Mr SPEIRS:** On the same budget line, Budget Paper 4, Volume 4, page 202, referring to the Dob in a litterer program, which was an election commitment for which funds were set aside in the previous financial year, can the committee be provided with more details about the progress of this program?

**The Hon. I.K. HUNTER:** I thank the member for Bright for an excellent question.

**Mr SPEIRS:** They all are. I am genuinely interested.

**The Hon. I.K. HUNTER:** Indeed you are. South Australia has less than 2 per cent of beverage containers in the litter stream, compared with other states recording results as high as 14 per cent, I understand. They are very jealous of our achievements. South Australia has presented a downwards trend in the number of items littered across South Australia since 2005. This has been most evident in decreases in the number of items littered on South Australia's beaches. However, there is a lot more to do to improve litter reduction across the state.

Cigarette butts remain the most frequently identified litter item across all sites in South Australia. Plastic objects also contribute to the largest volume to the litter stream, and the most

littered sites in South Australia continue to be retail sites and shopping centres. There is a cost to community, of course, in cleaning up litter; for example, local councils may need to use road sweepers to clean up and collect litter, which then has to be disposed of at cost to a landfill.

In the next step in reducing our litter further, the South Australia government has taken the step to establish the Dob in a litterer program through a mobile digital application (an app). No apps work on my phone, I hasten to advise, Chair. I do not think that apps existed in the days that my phone was—

*Members interjecting:*

**The Hon. I.K. HUNTER:** No, it just won't work; it won't do it. The app will allow members of the public to report litterers by submitting photos online or from a mobile device. The app will allow for on-the-go-reporting in real time and the ability to photograph an incident and submit it, tagged with GPS coordinates, as evidence of littering. It is anticipated that a complementary dob-in-a-litterer website will also allow for online reporting; download of forms for submitting of posted or faxed reports; explanations of how the programs works; information to educate the community about the environmental benefits and outcomes of reducing littering; and information about the dangers of littering, such as a lit cigarette thrown from a car window, for example,

Zero Waste has led the development of this initiative, in collaboration with key stakeholders, on a working group comprising the Local Government Association; KESAB; the Department of Transport, Planning and Infrastructure; the Department of Treasury and Finance; the EPA, the Office of Digital Government; and e-Government. Zero Waste SA led this project, based on its significant expertise and the development of web technology.

The local nuisance bill currently being developed by the Environment Protection Authority includes a proposal to reform litter laws in South Australia. The specific litter reforms include allowing for tiered offences, depending on litter type, for example, for lit and unlit cigarettes and syringes, and for multiple agencies and organisations to administer the provisions if they choose to do so.

Councils are already responsible for litter regulation under section 235 of the Local Government Act of 1999. The nuisance bill does not impose any new costs relating to litter regulation by councils; it simply offers ways to improve enforcement through better tools. The local nuisance legislation will be used to strengthen the legal framework to implement the Dob in a litterer initiative. The Environment Protection Authority and the Local Government Association will continue to liaise closely in the development of the legislation, and a draft bill is expected this calendar year.

South Australia's initiative will build on and improve on similar approaches to curbing litter that have been implemented in other jurisdictions. The government allocated \$100,000 for this initiative in 2014-15. EPA Victoria supplied its code for this version of the app; however, a review of the Victorian EPA litter reporting software revealed that it would not be an effective solution for South Australia.

Instead, two local companies were engaged to review the EPA Victoria and EPA New South Wales models and to address common complaints that users had about these apps and to provide a better user experience for reporting litter. Based on their evaluations, the stand-alone app for both the Apple iOS and the Google Android operating systems was built in South Australia.

Zero Waste SA has worked with a contractor to produce a website for DIAL ([www.dial.sa.gov.au](http://www.dial.sa.gov.au)) that allows users access to the reporting function of the app, as well as ensuring that education materials and community awareness about the harm of littering are ready at the same time as the app. This website is also mobile friendly, which is good to know. EPA Victoria has also supplied its market research, advertising collateral and community attitudes survey to inform decisions for communications in South Australia.

I would like to thank the governments of New South Wales and Victoria for their support and I also thank the EPAs of those respective states. I am pretty sure they both will be wanting to get their hands on our new app once it is rolled out.

**Mr SPEIRS:** Do you have a date for its rollout?

**The CHAIR:** Hang on! Thank you minister.

*Mr Speirs interjecting:*

**The CHAIR:** The minister has very comprehensively answered the question, and I declare that the examination of the Minister for Sustainability, Environment and Conservation is completed. Thank you very much, minister. Thank you to our advisers. In accordance with the agreed timetable, the committee stands suspended to 2pm.

*Sitting suspended from 13:04 to 14:00.*

**The CHAIR:** We are examining the minister in his role as the Minister for Water and the River Murray.

#### **Membership:**

Mr Pederick substituted for Mr Speirs.

#### **Departmental Advisers:**

Ms S. Pitcher, Chief Executive, Department of Environment, Water and Natural Resources.

Mr T. Goodes, Deputy Chief Executive, Department of Environment, Water and Natural Resources.

Ms M. Griffiths, Chief Finance Officer, Department of Environment, Water and Natural Resources.

Mr B. Bruce, Group Executive Director, Customer and Corporate Services, Department of Environment, Water and Natural Resources.

Mr J. Schutz, Group Executive Director, Department of Environment, Water and Natural Resources.

Mr A. Geytenbeek, Management Accountant, Department of Environment, Water and Natural Resources.

Mr R. Faunt, Technical Regulator.

Mr T. Mooney, Chief of Staff.

Ms R. McClelland, Adviser.

**The CHAIR:** Minister, if you would like to make any opening statement.

**The Hon. I.K. HUNTER:** The government has a very proud history of investing in the management of our water supplies. When we came to government in 2002, we were almost entirely reliant on supply from our catchments in the Adelaide Hills and the River Murray. As a result of our planning and investment, we have diversified our water supplies guaranteeing water security to 2050, and the 2014-15 financial year has seen us continue our strong focus on water security.

We have made substantial progress in implementing the Murray-Darling Basin Plan, both in South Australia and across the basin, and continue to advocate strongly for the return of the full 3,200 gigalitres that South Australia was promised under that plan. South Australia has already recovered, or has under contract for recovery 142.3 gigalitres of our own 183.8 gigalitre target under the plan. In addition, the Department of Environment, Water and Natural Resources continues to work with the Murray-Darling Basin Authority and other basin states to:

- address physical, operational and management constraints to improve the delivery of our consumptive and environmental water; and
- to develop a sustainable diversion limit adjustment method and proposals to increase the socioeconomic and environmental outcomes possible under the basin plan.

Up to \$2.92 million has been allocated for the design, construction and installation of up to seven fishways across the barrages between Lake Alexandrina and the Coorong. This will improve connectivity between habitats, better supporting fish populations within the region. The \$98 million Riverine Recovery Project will measure long-term improvements in the health of the riverine environment between Wellington and the South Australian border. In addition, this project will also see the preparation of wetland management plans for approximately 50 sites as well as the construction of infrastructure and a weir pool-raising trial.

Up to \$36.61 million has been allocated for delivery of a vegetation program which aims to stabilise the ecological decline of the Coorong and Lower Lakes region and to assist in delivering a healthy and resilient wetland and community. The vegetation program encompasses seed collection plant propagation, revegetation, pest and weed control, fencing, monitoring and research.

The program has been highly successful and since 2011 more than 3.2 million plants have been planted as part of a five-year target of 4.6 million plants. Planting is undertaken in partnership with community groups, Ngarrindjeri people and commercial planters, and we are also progressing the \$155 million seven-year Riverland Floodplains Integrated Infrastructure Program to improve environmental management of the River Murray above Lock 1 at Blanchetown.

I am also pleased to report that water licensing for the commercial forestry industry in the state's South-East is now fully operational. This work is world leading and DEWNR and the South-East Regional NRM Board were recognised at the 2014 Australian Water Association SA Awards, receiving the Program and Innovation Award; and great congratulations go to everybody involved in this.

We will continue to support the work undertaken by the Goyder Institute, which continues to provide scientific and research benefits to South Australia, particularly in the area of water management, funding \$8 million over a four-year term. Looking forward, we will develop a plan for water management in Greater Adelaide. In October 2014 I released an issues paper to facilitate local government, industry and community engagement, the development of a new and innovative integrated water management strategy for Greater Adelaide, the Urban Water Plan for Greater Adelaide. A range of feedback was received on the issues paper and this is now being used to develop a draft plan for further discussion with stakeholders.

I am to release the draft urban water plan later this year. In addition, we are progressing the water sensitive urban design by establishing a framework considering a water sensitive design and future state infrastructure projects. It is clear by the breadth of policies and programs that it has been a very busy year for the agency. I finish by thanking publicly and acknowledging the efforts of all the staff in DEWNR, led by a very excellent chief executive, Ms Sandy Pitcher.

**Mr WHETSTONE:** I refer to Budget Paper 5, page 39, under DEWNR savings measures, Water planning and management—partial recovery from NRM boards. Obviously the NRM will now need to find an extra \$3.5 million of cost recovery through the NRM water levies for water management and planning functions. Recovering these costs will reduce the amount of funding available to NRM boards in 2015-16. The state government recognises that for NRM boards this may require prioritisation of activities in the short term. There is an opportunity to consider the extent to which costs should be passed on to the users through increasing water levies in 2016-17, working with the NRM boards to establish a formula to fairly distribute the impact of these costs in 2015-16 and that smooth transition that all ratepayers would like as far as possible. Will the cost recovery be apportioned equally across all regions?

**The Hon. I.K. HUNTER:** With the NRM boards I have asked them to provide me with advice about how we might most fairly apportion those costs. Some NRM regions, of course, do not have an ability to apportion costs for water because of the nature of their zone, their region, and the people in those zones do not access water for those productive purposes. Some NRM boards are much more financially viable than others: some do not rely on government assistance at all—they rely only on what they raise themselves—and others require some co-payment from Treasury.

They are all quite different and all have different abilities. Rather than, in a simple and perhaps a potentially unfair manner, allocating a certain amount across all NRM boards, I have asked

the NRM boards to give me advice on what the fairest way forward will be. I am still waiting on that advice from the boards.

**Mr WHETSTONE:** Upon weighting that advice on how the extra burden will be put on landholders, on water users, will that be applicable to SA Water? With that extra burden on landowners and water users through this extra government tax, will SA water be included?

**The Hon. I.K. HUNTER:** My advice is that, if boards choose to increase their water levy in some way or some fashion, that will go to all licensed water users, and so far as SA Water is a licensed water user they will be covered in the same way as anybody else.

**Mr WHETSTONE:** Does that also apply to the South-East forests?

**The Hon. I.K. HUNTER:** The South-East forests are covered by the water allocation plan that has been adopted by the region and signed off by me. Again, if they are licensed water users they will be treated the same way as anybody else.

**Mr WHETSTONE:** And they are licensed water users?

**The Hon. I.K. HUNTER:** They are in the South-East, in the Lower Limestone Coast.

**Mr WHETSTONE:** Has the government calculated how many water licences are likely to be affected?

**The Hon. I.K. HUNTER:** Once again, you are putting the cart before the horse. I have asked for the boards to come back to me first with their advice, and before I receive that advice, I cannot think hypothetically what those outcomes might be, and I could be accused of prejudging their advice and none of us would want that.

**Mr WHETSTONE:** How will this affect the NRM budgets? It is all very well to ask them to come up with their best, fairest, possible scenario but how will it affect their budgets given that the budgets are already set through their business plans?

**The Hon. I.K. HUNTER:** Which budgets are you referring to in that question?

**Mr WHETSTONE:** The NRM budgets.

**The Hon. I.K. HUNTER:** Which year?

**Mr WHETSTONE:** 2015-16.

**The Hon. I.K. HUNTER:** Just 2015-16?

**Mr WHETSTONE:** Yes.

**The Hon. I.K. HUNTER:** In which case I can advise that DEWNR will be picking up half of the revenue to be recovered. We have discussed this with NRM boards already and DEWNR will be utilising its own resources to cover half of the projections that the boards will need to come up with. We believe that that will give the board sufficient time to work out how they want to apportion these cost recoveries.

It is worth remembering that DEWNR has negotiated temporary relief since about 2011 against the cost-recovery target, but from 2015-16 this relief will no longer be provided. Boards will need to plan for their future cost recovery as required under the National Water Initiative which this government and other jurisdictions have signed up to.

**Mr WHETSTONE:** So, minister, the 2016-17 year?

**The Hon. I.K. HUNTER:** From 2016-17, as I said, boards will need to recover those fees associated with water usage along with all licensed water users, if that is what they determine to do. Again, it is up to the board to come back to me and advise me how they want to apportion these costs, but these cost-recovery principles, these user-pays principles, were signed up to many years ago now at a national level under the National Water Initiative.

DEWNR has, for a number of years, as I have just said, negotiated temporary relief for NRM boards in the regions in relation to those cost-recovery matters but the time is fast coming



where the NRM boards will need to factor that into their ongoing budgets. For the next year, 2015-16, as I said, DEWNR will cover half of the required water recovery targets from within its own resources.

**Mr WHETSTONE:** So 2016-17 will be full cost recovery?

**The Hon. I.K. HUNTER:** Absolutely.

**Mr WHETSTONE:** So with that full cost-recovery model in the not-too-distant future, what consultation took place with the boards prior to making that decision?

**The Hon. I.K. HUNTER:** Again, that would be a matter for the boards. You would not want to hint at a direction from me in that regard until I have heard back from the boards about what their future plans are going to be. Once they have given me that advice, I will consider it, and then we can talk about how we plan that for the way forward and how we develop a communication strategy and who we consult in terms of stakeholders, but that is something to be done after I receive the advice from the boards.

**Mr WHETSTONE:** So as a landholder, as a water user, there is an increased tax?

**The Hon. I.K. HUNTER:** There will be increased cost recovery, and this goes to the very heart of the National Water Initiative. Those people who receive a benefit should be paying for the government resources that are utilised in delivering that benefit. That is what cost recovery is about and that is what user-pays is about. I understand your party has signed up to those very same principles, have you not?

**Mr WHETSTONE:** I ask the questions.

**The Hon. I.K. HUNTER:** And I answer them in the way I see fit.

**Mr WHETSTONE:** Minister, I refer to water purchases, Budget Paper 4, Volume 2, sub-program 2.1, page 154. I note that there has been a one-off payment of about \$8 million to the Consolidated Account in the 2014-15 year for water purchase. Can you please give us some detail on that?

**The Hon. I.K. HUNTER:** My advice is that it relates to a water purchase to enable a milestone payment for the Minister of Agriculture under the SARMS project. At the end of that SARMS project that excess water will be passed back to DEWNR and we will sell that to recoup that money.

**Mr WHETSTONE:** So your department has purchased \$8 million of water for another department—

**The Hon. I.K. HUNTER:** That is right.

**Mr WHETSTONE:** And then that water will be—

**The Hon. I.K. HUNTER:** This water, I am advised, was provided to the federal government in 2014-15 as part of a milestone payment. That will be held by the Minister of Agriculture, I presume, through its agency and, at the end of that program, it will be passed back to DEWNR and we will more than likely sell that on market and recoup the money that we have invested in it.

**Mr WHETSTONE:** Can you tell me if it was a SARMS project? Can you tell me what that project was?

**The Hon. I.K. HUNTER:** That is a project that is under the portfolio of the Minister of Agriculture. I will ask if there is any further detail I can give you on that. My advice is that the SARMS project is largely centred around irrigation efficiency and the federal government and the agriculture agency had an agreement in terms of a certain amount of water to be recovered. Given the specific skill sets of my agency it was deemed appropriate that our agency should be buying the water for that project handover to the Minister of Agriculture.

**Mr WHETSTONE:** A SARMS project is an initiative, money for water; so has the government gone out and purchased water on behalf of irrigators or has it gone out there and purchased water on behalf of a government project?

**The Hon. I.K. HUNTER:** My advice is that we effectively went out and purchased the float of water that needed to be supplied to the federal government. We did that because of the expertise and skills that reside in my agency but it is a program that is administered by the Minister of Agriculture and any detailed questions about that should be directed to him.

**Mr WHETSTONE:** On page 165, the estimated result, the actual: there was a \$16.9 million increase in income primarily due to a one-off sale of water in 2014-15. I think the outcome was an \$8.4 million increase in income.

**The Hon. I.K. HUNTER:** On page 165 you are looking at the \$6.9 million increase in income that is primarily due to a once-off sale of water in 2014-15 of \$8.5 million, which is partially offset, etc. That \$8.4 million once-off sale of water relates to the water that was provided to the Minister of Agriculture, I am advised.

**Mr WHETSTONE:** So that balances the books, does it, from one purchase to another?

**The Hon. I.K. HUNTER:** That is my advice.

**Mr WHETSTONE:** Are there any water allocation purchases planned for 2015-16?

**The Hon. I.K. HUNTER:** My advice is that we do not have any plans at this stage. We will purchase water, I suppose, to hand back to the federal government in terms of our agreement but, at this stage, my advice is that we are on track to deliver the contracted amount of water and will not need to purchase anything in 2015-16.

**Mr WHETSTONE:** How much has been spent in total by the South Australian government buying water from other states in the 2014-15 year?

**The Hon. I.K. HUNTER:** I can only answer that question in regard to the Department of Environment, Water and Natural Resources at this point in time, and my advice is that we have not purchased any in that financial year.

**Mr WHETSTONE:** For 2015-16 there is nothing planned, okay.

**The Hon. I.K. HUNTER:** Yes.

**Mr WHETSTONE:** So, is it in any of your department's strategies that South Australia will continue to look at buying the rights of permanent water from other states to bolster South Australia's water security?

**The Hon. I.K. HUNTER:** That is a question you might want to save for when SA Water are examined.

**Mr WHETSTONE:** Certainly. Minister, I want to backtrack. We talked about NRM levies and NRM budgets. I note that with the introduction of the basin plan, with the introduction of water buybacks, the South Australian diversion allocation which underpins particularly the South Australian Murray-Darling Basin NRM levy has gone from approximately 600 gigalitres, which levies were paid on, and South Australia's diversion allocation is a little over 200 gigalitres now, so that will significantly reduce the capacity for NRM to raise their funds with the water buyback, water sales out of South Australia.

**The Hon. I.K. HUNTER:** Member for Chaffey, I am struggling to find the question that you want answered there. Water that has been recovered by the Commonwealth Environmental Water Holder has not changed, and they pay the levy themselves. The quantum of water has not changed. There may have been a transfer from—

**Mr WHETSTONE:** Shift of ownership.

**The Hon. I.K. HUNTER:** Yes, but the levy is still charged to the Commonwealth Environmental Water Holder. They pay it.

**Mr WHETSTONE:** Okay, fair enough.

**Mr TRELOAR:** I refer to Budget Paper 5, page 7, Save the River Murray. It shows that the Save the River Murray levy has been abolished from 1 July 2015. Minister, will the programs that were funded from the levy be funded at the same rate?

**The Hon. I.K. HUNTER:** My understanding is that all the programs will continue. They will just be now funded through consolidated revenue into the future.

**Mr TRELOAR:** Through what, sorry?

**The Hon. I.K. HUNTER:** Consolidated revenue. Sorry, the right term is appropriation.

**Mr TRELOAR:** Alright, thank you. How will South Australia's contribution to the Murray-Darling Basin Authority be funded into the future?

**The Hon. I.K. HUNTER:** As I said, through appropriation. You will remember, of course, that New South Wales pre-emptively reduced their allocation to the Murray-Darling Basin Authority which resulted in some argy-bargy last year because they were down significantly about \$28 million on what they should be paying in terms of historical averages. Through our intervention, I suppose, and our negotiations, we are very pleased to note that New South Wales are contributing an extra \$10 million to the authority, but they are still about \$14 million short of where they should be. So, our amount that we will contribute to the Murray-Darling Basin Authority is contingent on New South Wales coming back and paying their fair share.

We have increased our component in line with what New South Wales have contributed, so that upped it by \$10 million and I think our contribution increased by about \$4 million, so it is all relative. If they increase their allocation again, which they should do, we will then need to look again at how much we are contributing so that we only pay our fair share. But as a state we are not going to be in a position to actually pick up what New South Wales should be paying.

South Australia's contribution to the Murray-Darling Basin Authority for joint programs in 2014-15 was \$15.5 million. South Australia's contribution to the MDBA for joint programs in 2015 will be \$19.054 million, and that takes into recognition the \$4 million extra that we are paying because New South Wales have lifted their payment by \$10 million. But all the jurisdictions involved have a relative history of their share and New South Wales unilaterally decided to slash it by over 24 or \$25 million. We are working with them to increase their allocation on historic shares but, as I say, they are about \$14 million short of where they should be.

**Mr TRELOAR:** So what we pay is contingent upon what New South Wales does?

**The Hon. I.K. HUNTER:** Yes. We are not going to be in a position, as a state, to pick up the excess that New South Wales should be paying.

**Mr TRELOAR:** What have the other jurisdictions done—Victoria and Queensland? How have they managed this?

**The Hon. I.K. HUNTER:** I think Queensland's contribution is nominal at about \$100,000 and the ACT is of a similar level, roughly the same. So, you are looking at New South Wales, the commonwealth, Victoria and South Australia. Victoria have held, to date, their historic cost share, but they were very significant in helping us move New South Wales to come back to the funding proposal that is closer to the historic share, but we are not quite there yet. We will continue to undertake this with New South Wales, but to date, other than that extra \$10 million, they have not been forthcoming.

**Mr WHETSTONE:** Two wrongs do not make a right, though, do they?

**The Hon. I.K. HUNTER:** Are you suggesting that South Australia should be paying for New South Wales irrigators?

**Mr WHETSTONE:** No, no-one is suggesting that.

**The Hon. I.K. HUNTER:** Well, that is the question you have to deal with. You either say that South Australia should stand up for our irrigators, our river, and say, 'We will not be subsidising New South Wales in this regard' or you pay over happily. Our position as a government is that we will not allow New South Wales to steamroll South Australian irrigators. If you want to go down that path, by all means, out you go, but I do not think you will get a lot of thanks from the community for it.

**Mr WHETSTONE:** Victoria are continuing their funding; that is what you are saying?

**The Hon. I.K. HUNTER:** Victoria has always been very useful in our negotiations with New South Wales in holding the line. They too, however, have said to New South Wales that if they do not increase their contribution that will have an impact on the overall spending of the authority and they need to consider that extra \$14 million, or thereabouts, that they are responsible for.

**Mr TRELOAR:** Minister, the Save the River Murray levy fund contributed to a program of works and measures to improve the health of the River Murray. What was the total of the Save the River Murray levy that was spent on campaigning?

**The Hon. I.K. HUNTER:** Exactly what do you mean by 'campaigning'?

**Mr TRELOAR:** Was funding from the Save the River Murray levy used to pay for the state government's \$2 million Save the River Murray advertising campaign?

**The Hon. I.K. HUNTER:** Thank you for that clarity. My advice is that that pertains to a completely different financial year. On 17 June 2015, the Premier and the Treasurer announced that the Save the River Murray levy would be abolished from 1 July 2015 (we all know that) providing annual savings to most households and small businesses of more than \$40 and \$182 respectively. Ongoing works and measures the levy has contributed to will continue and will now be funded by state appropriation, and we have covered that already.

The amount of funding from the Save the River Murray levy in 2014-15 that was committed towards the Department of Environment, Water and Natural Resources programs amounted to a total of \$24.9 million. Of this, \$2 million was allocated to Regions SA for eligible regional initiatives and \$0.027 million has been allocated for work to be undertaken by the Environment Protection Authority staff for the asset soils investigation. In terms of the campaign that you alluded to in your question, that relates to a previous financial year and is not covered by this estimates process.

**Mr TRELOAR:** I should have asked the question last year, minister.

**The Hon. I.K. HUNTER:** You should have, and then my answer would have been no.

**Mr TRELOAR:** Okay, thank you.

**Mr WHETSTONE:** Thanks for the clarity.

**Mr PEDERICK:** Minister, referring to SA Water major projects and annual programs, Budget Paper 3—

**The Hon. I.K. HUNTER:** Are we there yet?

**Mr PEDERICK:** Are you there yet?

**The Hon. I.K. HUNTER:** Are we with SA Water yet, Chair? I can dismiss DEWNR and move to SA Water, if that is the will of the committee.

**The CHAIR:** I am in the hands of the committee when we move on to SA Water, but it would be better to do it in a logical order, so we can change advisers. In fact, I am in the hands of the opposition. It is the opposition's call when we move to SA Water.

**Mr PEDERICK:** We will stay here, if you like. I have a question, minister, in regard to the South-East drainage scheme, relating to Budget Paper 4, Volume 2, page 156: Annual Programs. In 2014-15, \$1.59 million was budgeted to be spent but was not spent. Has that been reallocated to 2015-16?

**The Hon. I.K. HUNTER:** My advice in regard to this budget line is that it relates to the SEDSOM bill, which was introduced in this parliament at a previous time by a previous minister. This investing line of \$1.639 million in 2015-16 is contingent on a SEDSOM levy being raised in the South-East. If this levy was to be introduced, this expenditure would be additional to the \$2.2 million contribution currently provided annually by the state government and the South East Water Conservation and Drainage Board, but given that this investing line is tied to an expenditure line, it has been pushed forward from 2014-15 to 2015-16.

**Mr PEDERICK:** Are you saying that that \$1.59 million is part of that \$1.639 million to be spent in 2015-16?

**The Hon. I.K. HUNTER:** My advice is that that is the same money.

**Mr PEDERICK:** I refer to Sub-program 2.1: Water Resource Management, Financial commentary, 2014-15 Estimated Result/2014-15 Budget, at the bottom of page 164. It refers to the decrease in income due to reduced income for water planning and management cost recovery and reduced income for South-East drainage systems operations and maintenance and to delays in introducing a levy. Do you intend introducing a new levy again, minister?

**The Hon. I.K. HUNTER:** My advice has been consistent to date. Until the South-East community are prepared to contribute themselves in some way to increased expenditure in the South-East drainage system, I will not be introducing a levy. Sorry, I should say that I will not be introducing a levy through the SEDSOM bill, because I will not be introducing the bill. Until there is agreement in the South-East community, the SEDSOM bill will not be introduced into parliament.

**Mr PEDERICK:** So it will be up to the South-East community to decide the fate of the levy?

**The Hon. I.K. HUNTER:** That is exactly right. That is why I engaged the community through a citizens' jury process to talk to me about (a) whether they want to have further expenditure on the South-East drainage and (b) how it will then be funded from the local communities and how best and fairly to apportion that across those communities.

As you probably well know, the citizens' jury approach did not support the basic premise that we started with, which was that there would be no additional expenditure from the government other than \$2.2 million. Until such time as the community comes to me with a different solution, I have no plans whatsoever to introduce a levy through the SEDSOM bill. I will not be introducing the SEDSOM bill.

**Mr PEDERICK:** Thank you, minister.

**Mr WHETSTONE:** No levies?

**The Hon. I.K. HUNTER:** No.

**Mr PEDERICK:** As far as funding these works, does that come back to the local NRM boards?

**The Hon. I.K. HUNTER:** It comes back to the South-East drainage board. They have an appropriation of money to fund the work that they do. It will stay at the current appropriation.

**Mr PEDERICK:** Thank you.

**Mr WHETSTONE:** No responsibility for anything. I refer to Budget Paper 4, Volume 2, page 166, sub-program 2.2. Expenditure on the Coorong, Lower Lakes and Murray Mouth program is supposed to be increased by \$35.2 million in the 2015-16 year. What is the total cost of the program in 2014-15 and then, of course, into 2015-16?

**The Hon. I.K. HUNTER:** The \$137 million Coorong, Lower Lakes and Murray Mouth Recovery Project includes a range of actions to ensure this region of the Murray is a healthy, productive and resilient wetland system that maintains its international importance. The project consists of 20 projects or management actions. It runs for five years from 2011 to 2016 as part of the South Australian government's \$610 million Murray Futures program funded by the Australian government. The funding agreement includes a 10 per cent, or \$13.7 million, contribution from the state to the total project cost. The Coorong, Lower Lakes and Murray Mouth Recovery Project includes the following actions which are part of an agreed business case with the Australian government:

- South East Flows Restoration Project: the South East Flows Restoration Project comprising \$60 million is designed to reinstate natural flow paths to deliver increased volumes of water to the Coorong. On average, I am told, it will reinstate an additional 26.5 gigalitres per year. Currently investigations are being undertaken into proposals stemming from community consultation.
- Fishways: up to \$2.92 million has been allocated for the design, construction and installation of up to seven fishways across the barrages between Lake Alexandrina and

the Coorong. Installation of the first fishway at Boundary Creek Barrage commenced in February 2015 and is nearing completion. When the project is completed in 2016, the new fishways will improve fish passage between marine, estuarine and freshwater habitats, better supporting the fish population of the region.

- Ngarrindjeri Regional Authority Agreements: in 2012 a \$4.7 million agreement was signed by the Ngarrindjeri Regional Authority to support delivery of the Ngarrindjeri Partnerships management action. The management action aims to foster the active long-term participation of Ngarrindjeri people in natural and cultural resource management in the region.
- Up to \$36.61 million has been allocated for the delivery of a vegetation program which aims to stabilise the ecological decline of the Coorong and Lower Lakes region and to assist in delivering a healthy and resilient wetland and community. The vegetation program encompasses seed collection, plant propagation, revegetation, pest and weed control, fencing, monitoring and research.
- Monitoring and research: up to \$4.39 million has been allocated for ecological and acid sulphate soil monitoring and research. The monitoring and research being undertaken by the recovery project complements other ongoing investigations, such as monitoring under the Living Murray program, to underpin sound management decisions for the site.
- Ecological character description: up to \$1.1 million has been allocated for the update of the site's ecological character description and initiatives to assist with site management, such as a site operations manual.
- The Lake Albert scoping study came into this category. The long-term management of water quality issues in Lake Albert and Narrung Narrows has been completed. The scoping study options paper and supporting documents were made publicly available. Up to \$0.659 million of funding was committed for the study. Up to \$3.1 million has been allocated to restore the aquatic plant *Ruppia tuberosa* into the Coorong south lagoon following its decline during severe drought conditions. The project encompasses seed collection, translocation, planting at selected sites and compliance monitoring. Since 2013 more than 62 hectares of the Coorong mudflats have been treated with translocated ruppia seed.
- A community advisory panel, which was established in 2012, continues to act as a voluntary non-statutory community-based advisory body to help facilitate the exchange of information between the community and the recovery project, and the Lakes hubs at Milang and Meningie help to create an informed supportive and involved community for future management of the site.
- In 2014-15 we have a total of \$17 million for the climate project approximately and in 2015-16 that increases to \$52 million.

**Mr WHETSTONE:** That is all very well, minister, but what is the contribution from the state as opposed to the contribution from the commonwealth, and are there any River Murray Futures Riverine Recovery program moneys involved in that?

**The Hon. I.K. HUNTER:** I really do wish the members of the committee would listen to my answers when I give them. I told the honourable member at the very beginning that the state funding agreement is 10 per cent—10 per cent.

**Mr WHETSTONE:** Ten per cent?

**The Hon. I.K. HUNTER:** Ten per cent of the total funding. We have a 90/10 agreement with the commonwealth. What is the point of me answering these questions with a lot of detail if honourable members do not listen to the answers I give them.

**Mr WHETSTONE:** There is more to that question.

**The Hon. I.K. HUNTER:** I have to say that it is very frustrating when you have questions come to me as minister based on information that does not take into account the information that I have laboured, mightily, to deliver to the committee.

**Mr WHETSTONE:** Thank you for that, minister.

**The CHAIR:** I just want to remind members that we have until 3 o'clock. If we want to get to SA Water, we need to do it at some point before 3 o'clock because then the lines change.

**Mr WHETSTONE:** Last question—just before the minister jumped in with his retort—was there any River Murray Futures Riverine Recovery money in those projects?

**The Hon. I.K. HUNTER:** You might have heard the advice I received. That's a separate project to the CLLMM project.

**Mr WHETSTONE:** I beg your pardon?

**The Hon. I.K. HUNTER:** You might have heard the advice I received. That is a separate project; it is not the CLLMM project, which is the one I just gave the answer about.

**Mr WHETSTONE:** No, I asked was there any separate money from Riverine Recovery in those South-East programs?

**The Hon. I.K. HUNTER:** My advice is that the CLLMM projects were separately funded in the order of the details I just gave in my last answer. The other projects, as detailed, have other funding streams associated with them.

**Mr TRELOAR:** I refer to Budget Paper 4, Volume 2, page 164, and my question is about water security. What is the government doing to ensure long-term water security on Eyre Peninsula?

**The CHAIR:** I will take your advice, minister. Is this now SA Water? Is this a signal that we are changing?

**Mr TRELOAR:** Not necessarily.

**The Hon. I.K. HUNTER:** I am advised that the department regularly, in fact annually, reviews the demand and supply statements for water in the regions. We do a major review every five years, but we keep a 12-monthly review in place. We look at both supply side requirements and demand side into the future and we adjust our water planning in the light of those returns reviews. We engage local communities; we engage local councils; we engage NRM boards and other stakeholders in those demand and supply planning reviews and we do them region by region. You may recall that we recently released the Kangaroo Island one, for example.

**Mr TRELOAR:** Given that the latest supply and demand would indicate a deficit sometime in the next decade, what is the contingency plan from the government for ongoing water supply to Eyre Peninsula?

**The Hon. I.K. HUNTER:** As the committee probably understands, this annual review process that we go through is when there is a deficit that shows us that that will be brought forward within a space of five years or less, that will trigger a much more rigorous and early approach to water demands into the future, but if it is not a five-year or less deficit, then we continue with our annual review cycle.

There are currently, I am advised, two water allocation plans in operation on Eyre Peninsula, one for the Southern Basins Prescribed Wells Area around Port Lincoln, for example. The other one is Musgrave Prescribed Wells Area located around the town of Elliston. Eyre Peninsula NRM Board is preparing an amended WAP, which will combine the management of both prescribed wells areas into the future. The development of the new WAP is well progressed and the draft WAP released for public consultation, is my advice. The period of consultation was between March 2015 and June 2015. This new WAP is based on substantial investment in science to improve the understanding of the regional groundwater systems. The region is reliant on groundwater resources for public water supply, irrigation, industry and domestic use and stock supply as well as supporting the region's important ecosystems.

The new WAP will set out a new and more accurate method of determining sustainable extraction limits for water users, based on the level of storage within the aquifers. Importantly, this WAP has been developed using the 'unbundled' water licensing system. This means that, once the WAP is adopted, licences will need to be reissued to the 22 licensees accordingly.

Most water rights and responsibilities across most of South Australia are outlined on a single water licence. Unbundling separates these rights and responsibilities and clearly describes and specifies them on separate authorisations. This results in benefits, such as quicker and more efficient transfer of water rights and volumes and transparency in dealing with seasonal and long-term variations in water availability and water resource conditions.

The Eyre Peninsula NRM Board has worked very closely with the broader community to develop a draft plan and to consult on it. Consultation has included a number of public meetings, both in Port Lincoln and Elliston; meetings of the board's Water Resources Advisory Committee; community consultative committee meetings; stakeholder consultations; and one-on-one meetings with individuals and organisations.

The Eyre Peninsula NRM Board has ensured that all water licensees are fully consulted as well as the wider community. Independently facilitated stakeholder meetings and open-house forums hosted by the NRM board were attended by more than 70 community members. Board members and DEWNR staff have met separately with several groups of key stakeholders and individuals throughout the consultation process, including the member for Flinders and the shadow minister for sustainability and environment in Adelaide, I am advised. The statutory consultation process concluded, as I said, in June, with 14 submissions received. I am advised that the NRM board will now consider the submissions and finalise a draft WAP for adoption.

The Eyre Peninsula NRM Board has undertaken a comprehensive review of the existing monitoring of the groundwater resources and has identified areas for improvement. The network of monitoring wells has been enhanced with the inclusion of telemetry on strategic wells, the installation of monitoring wells to monitor the seawater/groundwater interface.

A comprehensive review of groundwater-dependent ecosystems has been undertaken, and the WAP will include specific measures to maintain these ecosystems at a low level of risk. The Southern Basins and the Musgrave Prescribed Wells Area has one of the most comprehensive monitoring networks in South Australia, I am advised. The new WAP will include a comprehensive monitoring, evaluation, reporting and improvement framework to ensure that the new WAP is achieving its set objectives. As I said, we monitor the situation in the regions on a 12-monthly annual review basis, and we have a trigger mechanism when there should be a deficit foreshadowed in a five-year or less period.

**Mr WHETSTONE:** SA Water, please!

**The CHAIR:** I have a desperate wish from the opposition to move to SA Water. There are 30 minus 13 minutes for SA Water, and then we are moving on to climate change.

#### **Departmental Advisers:**

Mr J. Ringham, Chief Executive, SA Water.

Mr G. Henstock, Corporation Secretary, SA Water.

Mr J. Hollamby, General Manager, Business Services, SA Water.

Mr D. Percevault, Senior Manager Finance, SA Water.

Mr R. Faunt, Technical Regulator.

Mr T. Mooney, Chief of Staff.

Ms R. McClelland, Adviser.

**The CHAIR:** Minister, do you have an opening statement?



**The Hon. I.K. HUNTER:** Thank you, Chair. SA Water, as a taxpayer-owned utility, is responsible for providing safe, reliable and affordable water and wastewater services to over 751,000 residential and business customers. Communicating with such a large customer base comes with its challenges, but the 2014-15 financial year has seen a concerted effort by SA Water to improve its customer engagement and to find efficiencies and to drive down costs.

In 2014-15, the agency undertook an extensive program of improving service delivery, making operations more efficient and introducing a more sophisticated relationship with its customers. The provision of water and sewerage is critical for the sustainability of communities and businesses in this state as well as being a fundamental driver for our economy. SA Water has focused strongly on affordability throughout the year to ensure the agency continues to encourage growth and sustainability.

Prices were kept at inflation following a decrease of 6.4 per cent in water prices in 2013-14. In addition, the customer hardship program was enhanced to ensure those who require assistance with their bills are offered appropriate support. As a result of feedback from customers, the high water use and leakage allowance policies were reviewed and extended to all property types including commercial properties and properties with retail services.

SA Water has now completed its largest-ever customer engagement program. This provided customers across the state with the opportunity to provide input into the future direction of SA Water which will help to shape SA Water's business planning in the next Regulatory Business Proposal to the industry's economic regulator, the Essential Services Commission of South Australia.

To encourage development, developer charges have been reformed and streamlined and a comprehensive review undertaken with the development industry. As a result of the government's continued reform, the water industry was opened to new entrants competing for services previously only supplied by SA Water.

SA Water has facilitated increased competition by proactively seeking out third-party access partners. Two excellent examples of this are by creating opportunities for third-party access in Skye, and for Clare Valley irrigators. SA Water will continue to seek out opportunities to partner with third parties where there is a need for third-party access. It has also worked with other water and sewerage retailers in new developments, and is carrying out and participating in research programs that benefit local water businesses.

During the previous financial year, SA Water laid the foundations for a satellite laboratory service in Melbourne to compete in the Eastern seaboard market. It has pursued national and international partnerships in water quality research. The efficient delivery of SA Water's capital infrastructure works program is a continuous boost for the state economy, as well as a key enabler for SA Water to continue to provide essential services at affordable cost to South Australians.

SA Water has estimated that approximately 200 jobs were sustained and at least 50 new jobs created by suppliers working with SA Water on delivering capital infrastructure works in 2014-15. This will continue into the new financial year. Major capital works projects planned to commence in 2015-16 include the \$80 million Kangaroo Creek Dam upgrade project and the estimated \$20 million SA Water works associated with the Darlington upgrade. These projects will require support from the local supply chain and will therefore be supportive of creating and sustaining local jobs.

SA Water will continue to work closely with residential and business customers to provide affordable water and wastewater services and drive innovation and jobs by investing in infrastructure and partnering with local businesses. I would like to finish by thanking and acknowledging the efforts of staff in SA Water led by Chief Executive, John Ringham, and I am prepared to take questions.

**Mr WHETSTONE:** Minister, I refer to the SA Water major projects in the annual programs. Can you provide a list of assets and the value of each?

**The Hon. I.K. HUNTER:** My understanding and the advice I have just received is that they are all listed in the budget papers.

**Mr WHETSTONE:** How is the value of the contributed assets calculated?

**The Hon. I.K. HUNTER:** We use a counting method called contracting rates to calculate the value of contributed assets being handed over to the corporation—on a scheme-by-scheme basis, I am told.

**Mr WHETSTONE:** Can you confirm the equivalent contributed assets figure for 2014-15, and what is the total value of SA Water's contributed assets for 2015-16 year?

**The Hon. I.K. HUNTER:** I refer you to the budget papers at page 83 in the Budget Statement, Chapter 5, Government Business, and you will find in there a total of SA Water contributed assets, in the table, of \$24.2 million, but, of course, that is an estimate. We will not know the absolute value until the private-sector industry develops those assets and hands them over to SA Water.

**Mr WHETSTONE:** When will that be?

**The Hon. I.K. HUNTER:** When they have built them.

**Mr WHETSTONE:** So, how will the contributed assets for the 2015-16 year impact on the regulated asset base?

**The Hon. I.K. HUNTER:** My advice is that they will not—they are not included in the regulated asset base.

**Mr WHETSTONE:** How does the pipe renewal budget of \$36 million compare with the previous year?

**The Hon. I.K. HUNTER:** I am advised that those figures appear in the budget papers as well, the 2014-15 original budget versus the 2015-16 state budget, and the former capital investment statement. You will find an extensive table under SA Water annual programs, and under that list you will find the figures for pipe networks. If you go across to the right-hand side, under 'State Budget 2015-16', you will find the list of figures there for 2014-15, 2015-16, 2016-17 and onwards. So in the budget papers you will find a figure for \$30.574 million for this year. Last year the figure was \$42.397 million.

**Mr WHETSTONE:** The Adelaide desalination plant is listed as being due for completion in December 2014: can you give us an update as to where the plant is at the moment?

**The Hon. I.K. HUNTER:** I thank the honourable member for his very important question. The Adelaide desalination plant is an essential insurance policy for our state. Capable of supplying half of Adelaide's drinking water, the Adelaide desalination plant ensures we have water for critical human needs during inevitable future dry periods. Creating clean and healthy drinking water from sea water, and transferring it our customers' taps is a complex process. Following treatment, a 12-kilometre transfer pipeline delivers water from the Adelaide desalination plant to the Happy Valley water filtration plant. Drinking water from the Adelaide desalination plant is then mixed with drinking water from the Happy Valley water filtration plant before distribution to the existing water supply network. The result is a climate independent source of water, delivered straight into our existing customer network.

To date, the Adelaide desalination plant has produced 125.5 billion litres of water, water that we have been drinking in Adelaide every day. As part of the project, about 50,000 local native seedlings were planted around the pipeline route and transfer pump station. A shared bike and pedestrian path was also constructed for the local community along Lonsdale Road. The Adelaide desalination plant successfully completed the operational proving period (also called the warranty and defects correction period) at the end of December 2014, as you outlined in your question.

It will operate at its lowest capacity of 30 megalitres per day for nine months of the year. Incorporating this minimum production operating plan is a three-month maintenance period, predominantly over the winter months, when overall network demand is at a minimum. During this period the ADP and elements of the transfer pipeline system that link the ADP to the wider network are able to undergo important planned maintenance that is better conducted while the systems are off line. This period of maintenance commenced on 7 June 2015, with the ADP scheduled to come back online again in September 2015.

**Mr WHETSTONE:** So the \$1.8 million in the 2015-16 budget is for maintenance and ongoing operation?

**The Hon. I.K. HUNTER:** What line are you referring to?

**Mr WHETSTONE:** Budget Paper 3, page 83, table 5.8, the top line, under 'Major projects'.

**The Hon. I.K. HUNTER:** My understanding is that that amount of money is being held back for warranty defect works that are still continuing and will not be paid until those works are completed to our satisfaction.

**Mr TRELOAR:** I refer to Budget Paper 3, page 118, regional investing expenditure. The Port Wakefield to Pine Point water supply upgrade is listed for completion in September 2016 at a total cost of \$25.6 million. How much of this particular project is to be funded by Rex Minerals?

**The Hon. I.K. HUNTER:** The Port Wakefield to Pine Point water supply upgrade project involves total expenditure of \$25.57 million for the construction of approximately 70 kilometres of pipeline from Port Wakefield to Ardrossan and from Ardrossan to Pine Point. The project will provide up to 2,000 megalitres per annum of mains water from Port Wakefield to the Rex Minerals Hillside operation and also for local communities.

I understand that Rex Minerals Hillside operation's ultimate annual demand is up to 1,700 megalitres. The remainder of up to 300 megalitres per annum of water would then be available to the local community on the Yorke Peninsula or potentially other industries.

The project will be owned, operated and constructed by SA Water, but will be paid for by Rex Minerals. The project will provide a commercial return to SA Water that is higher than its normal regulated return, providing a direct financial benefit to SA Water and the people of South Australia. This project is an example of the government and the private sector working together to develop a strategy to solve complex infrastructure challenges that will benefit the state through social, economic and employment growth.

On 25 November 2013, SA Water obtained approval for an increase to SA Water's capital plan of \$25.57 million for the Port Wakefield to Pine Point water supply upgrade, subject to Rex Minerals having full project funding in place and all approvals necessary for the development of the mine and meeting SA Water's requirements.

The Public Works Committee report for the Port Wakefield to Pine Point water supply upgrade was tabled in parliament on 17 December 2013, I am advised. Rex Minerals' contribution to the capital cost of the pipeline is budgeted at \$25.57 million, in line with the expected capital cost. This capital contribution is recognised by SA Water as revenue in the year the pipeline achieves practical completion (2015-16) as required by Australian Accounting Standards. This flows through to SA Water's dividends in that year as revenue (weirdly). Revenues related to items other than the capital cost, such as water sales, are recognised as revenue in the year they occur.

SA Water is currently negotiating commercial terms with Rex Minerals for the delivery of the Port Wakefield to Pine Point water Upper Wakefield supply upgrade and the supply of water to the Rex Minerals Hillside operation. Rex Minerals is finalising its extended feasibility study process and documentation with a target timeframe for completion in May-June 2015. This process is focused on a smaller tonnage phase 1 mining and processing option which enables expansion to a larger scale operation in the future.

At completion, Rex will make a decision on project progression to financing to project partners. The financing process, together with the Program for Environment Protection and Rehabilitation (PEPR) submission and approval process is likely to result in the earliest start date for construction being during the first quarter of the 2016-17 and, based on an 18-month construction period, production occurring in the third quarter of the same year.

At this stage, it appears that the same size pipeline from Port Wakefield to Pine Point will be required as Rex Minerals' plans to scale up operations to the ultimate throughput; however, the water demand at start-up is likely to be less than originally forecast. That extent is yet to be confirmed.

**The CHAIR:** Pursuant to the agreed timetable, I now declare the examination for the Minister for Water and the River Murray closed and I thank his advisers. I ask him to call on his advisers in relation to climate change.

**Departmental Advisers:**

Ms S. Pitcher, Chief Executive, Department of Environment, Water and Natural Resources.

Mr T. Goodes, Deputy Chief Executive, Department of Environment, Water and Natural Resources.

Ms M. Griffiths, Chief Finance Officer, Department of Environment, Water and Natural Resources.

Mr B. Bruce, Group Executive Director, Customer and Corporate Services, Department of Environment, Water and Natural Resources.

Mr A. Geytenbeek, Management Accountant, Department of Environment, Water and Natural Resources.

Mr T. Mooney, Chief of Staff.

Mr S. Kandola, Adviser.

**The Hon. I.K. HUNTER:** I would like to take a brief moment to update the committee on action being undertaken across the state and the globe to tackle climate change. South Australia has a proud history of leading on climate change. Action: in 2007 we became the first Australian jurisdiction to pass dedicated climate change legislation, which included targets for renewable energy generation and emissions reduction. We have had a considerable success in renewable energy development and in September 2014 we increased our target for proportion of energy generated from renewable resources to 50 per cent by 2025.

We are making South Australia a leader in climate action because we recognise that tackling climate change is fundamentally an economic reform which, of course, delivers environmental benefits. It is clear that the world is acting: economies that succeed in tomorrow's world will be those that lead and adapt to a carbon-constrained world. To put it quite bluntly: to remain competitive we must cut carbon emissions.

There are also significant opportunities in the expansion of renewable energy for our state. A recent analysis from Bloomberg's estimated that over \$8 trillion—the last time I saw that it was \$7 trillion so it has obviously gone up—will be invested in renewables and clean technologies between now and 2040. We will continue to build on our reputation as a leader in renewables to ensure that we attract international investment and create the associated high-skilled jobs.

We are already on the way to a low-carbon economy. We have shown that it is possible to decouple emissions from economic growth. Since 1990 our emissions have fallen 9 per cent, while our gross state product has grown by 60 per cent. We have achieved this by working in partnership with industry, community and local government. This partnership will continue, making Adelaide carbon neutral which will help to cut business costs and increase the CBD's competitiveness.

We have already announced measures to help reduce business costs with state government funding of \$150,000, doubling the Adelaide City Council's sustainable city initiative scheme. We are committed to building upgrade finance legislation which will help businesses attract the financing they need to reduce energy and other costs. In addition, we are continuing to support our communities to prepare for the impact of climate change. Regional adaptation plans have now been developed in five regions and we aim to complete the remaining seven plans by the end of 2016.

My department is currently leading the whole of government process to develop the new climate change strategy. It is my intent to release a draft strategy by the end of the year for final release in early 2016. A carbon neutral Adelaide forms a key part of this strategy. Through this initiative we want to identify mitigation opportunities that could be accessible across our state.

As we transition the state to a low carbon economy we are committed to ensuring the full economic benefits are realised for our communities. By acting now we can provide our businesses and industries with a competitive advantage while helping to protect our beautiful state in a carbon-constrained future.

**The CHAIR:** Are there any questions for the Minister for Climate Change?

**Mr WHETSTONE:** Absolutely! The South Australian government's position on climate change policy is to develop a new climate change strategy for South Australia in consultation with key stakeholders and the community that responds to the impacts of climate change and supports the transition to a low carbon economy. How will you be voting at the ALP National Conference on the weekend? Will you be backing your factional colleague to re-use—

**The CHAIR:** I think even the member for Chaffey knows that that is out of order.

**The Hon. I.K. HUNTER:** No, I am happy to take this one on board, Mr Chair.

**The CHAIR:** If you are happy to answer, minister.

**The Hon. I.K. HUNTER:** I am, indeed, extremely happy at the end of the day. Let me give you some insight into government plans on climate change—not this government's. 'Now, I don't believe that the science is settled'—Tony Abbott, *Four Corners*, 15 March 2010. He also said:

I should also make the point that carbon dioxide is not a dangerous pollutant of itself. Of itself it is a trace gas which is necessary for life.

Tony Abbott: 'CO<sub>2</sub> is not harmful,' ABC, 9 November 2011.

**Mr WHETSTONE:** I did not ask you any of that.

**The Hon. I.K. HUNTER:** Tony Abbott said:

The argument [on climate change] is absolute crap...however, the politics of this are tough for us. 80 per cent of people believe climate change is a real and present danger.

Tony Abbott: 'Climate change is crap.' This was in the *Pyrenees Advocate* on 2 October.

**Mr WHETSTONE:** Where is this in the budget?

**The Hon. I.K. HUNTER:** Where was your question?

**The CHAIR:** You asked for it, member for Chaffey. You asked for this.

**Mr WHETSTONE:** I ask the questions.

**The CHAIR:** You asked for this.

**Mr WHETSTONE:** All I want to know is how is he going to vote.

*Members interjecting:*

**The CHAIR:** Order!

**The Hon. I.K. HUNTER:** Tony Abbott, 'Hugely unconvinced by the science', *7.30 Report*, 27 July 2009:

I am, as you know, hugely unconvinced by the so-called settled science on climate change.

We can broaden it out, as follows, Joe Hockey, 'Humans causing climate change is open to dispute', *Today*, 12 August 2009:

Look, climate change is real, Karl. You know, whether it is made by human beings or not, that is open to dispute.

Tony Abbott, 'Not the most important issue' doorstep, 9 June 2014:

It is not the only or even the most important problem that the world faces, but it is a significant problem.

Tony Abbott, 13 October 2014:

Coal is good for humanity, coal is good for prosperity.

Joe Hockey stated:

If I can be a little indulgent please, I drive to Canberra to go to Parliament. I drive myself—

unlike Bronwyn Bishop—

*Members interjecting:*

**The CHAIR:** Order!

**The Hon. I.K. HUNTER:** Joe Hockey continued:

I drive myself and I must say I find those wind turbines around Lake George to be utterly offensive. I think they're just a blight on the landscape.

That was Joe Hockey, 'Wind farms utterly offensive', Alan Jones, 2GB, 2 May 2014. Now to Tony Abbott, 'Wind farms noisy and awful', Alan Jones, 2GB, 11 June 2015:

Well, Alan, look, I do take your point about the potential health impact of these things. When I have been up close to these wind farms there's no doubt that not only are they visually awful but they make a lot of noise...What we did recently in the Senate was reduce, Alan, reduce capital REDUCE. We reduce the number of these things that we are going to get in the future. Now, I would frankly have liked to reduce the number a lot more.

Sometimes you have to deal with the situation that you have got rather than the ideal and what we have managed to do through this, admittedly imperfect but better than the alternative deal with the Senate is reduce the growth rate of this particular sector as much as the current Senate would allow us to do.

Hunt on the CEFC:

I've been repeatedly critical of the CEFC investing taxpayer funds in projects such as existing wind farms rather than focusing on solar and emerging technologies. Our policy is to abolish the CEFC but in the meantime it should focus on solar and emerging technologies as was originally intended.

What does John Hewson say?

You can't play around with these things. These are long-term structural decisions...You're asking people to make long-term investments and then you change the policy in the middle of that and you reduce the value of those investments...This is a government that says it's open for business. For Christ's sake, what business are you open for?

That was John Hewson, former Liberal Party leader at the federal level on the RET debate on *Lateline* on 28 June 2014. I have pages and pages and pages. I could take up another hour and a half on Liberal Party policy on renewable energies.

Let me tell you the difference between Labor and Liberal. Today, it was announced that Labor will boost renewable energy. A Shorten Labor government will put a strong renewable energy sector at the centre of Australia's response to the challenge of climate change, creating jobs, driving investment, pushing down power bills for families and small business. That is the vision—creating jobs, driving investment and pushing down power bills for families and small business. What does this mob offer? What does this mob offer in climate change? They offer 'Coal is good for humanity, wind farms are ugly and offensive.' That is all they have got, and 'Climate change is crap.' We will never ever live that down as a country.

When I travel overseas to climate change conferences—and all you ever do in Australia is read *The Australian*—and they say to us, 'Why are you bothering to act on climate change? Nobody else in the world is.' When you travel overseas, or even when you read the international media, you understand that that is wrong. Every country is moving faster than Australia, every country is introducing emissions reduction schemes, every country is putting a price on carbon.

Even more, six leading oil companies in a letter to the United Nations just weeks ago asked for governments, federally, at the regional level and internationally, to put across a price on carbon. Where is the Liberal Party? Where is the Liberal Party's policy on climate change? They do not have one. The only policy they have is hiring helicopters to go to subbranch fundraising meetings from Melbourne to Geelong. That is their policy: 'Let's fuel up the helicopter and put more CO<sub>2</sub> into the atmosphere,' because CO<sub>2</sub>, according to Tony Abbott, is a trace gas.

**The CHAIR:** I do believe the minister has finished his answer. Are there any other questions?

**Mr TRELOAR:** Minister, the same budget line, whatever it was—

**The Hon. I.K. HUNTER:** Whatever it was.

**The CHAIR:** Member for Flinders, let's bring this back to the substance.

**Mr TRELOAR:** On the same budget line—and I will give the minister the opportunity to contribute further to this conversation—what does the minister make of the article in *The Advertiser* some 10 days ago which said:

...solar researchers from the University of Northumbria...say solar activity is set to plummet by 60 per cent in the 2030s...said fluid movements within the sun, believed to create 11-year cycles in the weather, will cancel each other out, triggering a dramatic temperature drop.

I am opening it for comment, minister.

**The Hon. I.K. HUNTER:** The member for Flinders and Dick Warburton have the same sort of view about life, apparently. Dick Warburton, remember, was the Prime Minister's handpicked chap to talk about climate change. He says, 'I'm not a denier of climate change'—the member for Flinders is the same case, I guess—but I am a sceptic that man-made carbon dioxide is creating global warming.'

Mr Chairman, I have a bit of a science background myself, but I do not hold myself out to be a climate change expert. That is not my job. I do not hold myself out to be a critic of individual scientists or, indeed, highly researched *Advertiser* articles. What I do is look at the great body of science that is presented to countries, the international community, governments, and I look at the overwhelming 98.9 per cent endorsement of scientists that (a) climate change is happening, and it has been happening for decades, and (b) it has been caused by rising CO<sub>2</sub> levels in the atmosphere, caused by what human beings have been doing to our atmosphere.

Maybe I am wrong. Maybe I should be looking at the article in *The Advertiser* that references one scientist (or maybe two) in a little article about climate change and not focusing on the big picture from, say, NASA, the Bureau of Meteorology, international climate change tribunals, the United Nations, for goodness sake, the IPCC—all these people who have condensed the science from around the world and come up with a considered position. Maybe I should put that to one side and just consider one isolated report. I have to say: no government worth their salt would do that, but clearly Liberal oppositions do.

**The CHAIR:** Are there any questions on the budget?

**Mr WHETSTONE:** Yes, I do have a question. Minister, late last year in the Legislative Council you indicated that your government would be interested in participating in the commonwealth government's climate change policy programs. Has your government made any submission for funding?

**The CHAIR:** Again, before you answer, minister, you can choose to answer, as you have done for the last 15 minutes, but these questions do not relate to any budget line. It is entirely the minister's call.

**Mr WHETSTONE:** Budget Paper 4, Volume 2, page 160.

**The CHAIR:** Alright, we have a budget line.

**The Hon. I.K. HUNTER:** I think you just made that up.

**Mr WHETSTONE:** You are the expert.

**The Hon. I.K. HUNTER:** I thank the honourable member most sincerely for this opportunity to talk about direct action and what it does not do. Direct action, as opposed to a price on carbon, effectively gives polluters millions and millions of dollars to go on doing what they are doing already. What direct action in the commonwealth government's policy has done is take taxpayers' money and hand it over in wheelbarrow loads to the big polluters in this country and say, 'There you go, you take our cash. We don't want you to do anything; we don't want you to change your business. We want you to continue polluting the way you've been doing and, by the way, here's a nice backhander from the taxpayer.' That is all direct action does.

Sixty per cent of the projects that were funded by direct action were happening already without any payback from the federal government—they were already in play—yet the federal government said, 'You're such good polluters, we're going to top you up with taxpayers' money.' That is what the commonwealth has done—a sham of a policy.

They do not have a climate change policy, because fundamentally they do not believe in climate change and they are in the pockets of big fossil fuel companies and the coalminers in Queensland, the big, heavy donors to the LNP. That is where they get their policy from. In fact, if you go back and have a look at the Queensland media, you will find out who actually drafted the Queensland LNP's climate change policy. It was a bloke who was seconded to the LNP from the coal industry. That is who writes their climate change policy—the coal industry. They should hang their head in shame.

**Mr TRELOAR:** Same budget line.

**The CHAIR:** Same budget line?

**Mr TRELOAR:** Given that the ALP's national conference is coming up in the next little while and, no doubt, the nuclear industry will be up for discussion, how does the minister feel about the contribution that nuclear energy could make to solving our climate change dilemma?

**The Hon. I.K. HUNTER:** Excellent question. You will know that the Premier has initiated a royal commission in terms of the nuclear fuel cycle, energy cycle and, indeed, waste cycle, and the thinking is basically this: we in the Labor Party have an open mind and we are prepared to listen to new information, new science and new evidence.

As I said previously, on the record, the last time we engaged in any in-depth look at the nuclear fuel cycle would have been the best part of 25 to 30 years ago. Things have changed, not the least being the science on climate change being settled by most reputable scientists, albeit what the Prime Minister might think about the issue, and technology around the nuclear industry has changed dramatically.

It would be silly of us, having an open mind in terms of looking at science, to say, 'Well, that was all settled 30 years ago.' The Premier has said, 'Let's have a royal commission, put all that information out on the table, get the latest, best scientific advice around the industry and let the community see it.' I think that is the appropriate way forward.

**Mr WHETSTONE:** Minister, in response to the questions in the Legislative Council on 12 November 2013, you promised a review of the Climate Change and Greenhouse Emissions Reduction Act. Has this happened?

**The CHAIR:** Is there a budget line?

**Mr WHETSTONE:** There is. It is Budget Paper 4, Volume 2, page 161 on targets—

**The Hon. I.K. HUNTER:** It is 161. 'Review the Climate Change and Greenhouse Emissions Reduction Act 2007' is a target for 2015-16. If you turn to page 161, you will see that it is there as a target for 2015-16, the next financial year, and I can respond.

At the last state election, the government committed to the development of a new climate change strategy in consultation with our community. The Department of Environment, Water and Natural Resources is leading the development of the strategy across state government. A significant element of this strategy is the government's ambition to make Adelaide the world's first carbon-neutral city, which is being progressed in partnership with the Adelaide City Council.

In August 2013, the government asked the Premier's Climate Change Council to lead a major strategic review of South Australia's climate change policy and provide a compelling vision for climate change action in the state. KPMG was subsequently commissioned to review a number of case studies in climate change policy and program delivery since the commencement of the existing strategy, *Tackling Climate Change: South Australia's Greenhouse Strategy 2007-2020*, in 2007.

Informed by targeted engagement with key stakeholders across industry, government and regional networks and the findings of the KPMG review, the Premier's Climate Change Council delivered its advice, 'South Australia's climate change vision: Pathways to 2050', in February 2014.



In light of the significant international and national climate change developments over recent years, and to respond to the council's advice, the state government committed to developing a new climate change strategy in consultation with the community.

The department is leading the whole-of-government process to review the existing strategy and develop the new climate change strategy. The strategy provides an opportunity for the government to develop new approaches to tackling climate change. It will identify economic opportunities that provide a clear transition to a low-carbon economy and pathways to build statewide resilience to the impacts of climate change.

The following core principles are guiding the development of the new strategy: economic development, aligning with the government's economic priorities and supporting and driving investment in low-carbon technologies and the export of local expertise in mitigation and adaptation; adaptation and resilience, building on the accumulated achievements of the state government's adaptation framework 'Prospering in a changing climate'; and emissions reduction, by supporting low-cost abatement in areas with the greatest potential for emissions reduction and economic co-benefits.

In February 2015, the government announced the carbon-neutral Adelaide initiative and we are working collaboratively with the Adelaide City Council in planning for the delivery of this initiative. Carbon-neutral Adelaide will form a key component of the climate change strategy and will identify mitigation opportunities that could be scalable across our state.

DEWNR is finalising a consultation paper which will provide an opportunity for the community and stakeholders to participate in the development of this new climate change strategy. Complementing this process will be a series of regional and sectoral workshops led by the agency. It is envisaged that a draft strategy will be ready by the end of the year, for final release, as I said earlier in my opening statement, by early 2016. This is a strategy that I would encourage the opposition to engage with.

It is a strategy that our rural and regional communities are engaging with heavily. They are the ones who are delivering our adaptation and resilience strategy, and this is a strategy, one of only two, that was highlighted in New York at the climate conference last September. South Australia's climate change, adaptation and resilience strategy was highlighted in the climate change conference in New York last September.

We are kicking goals in climate change in this state when the federal government is running away and hiding from any action whatsoever. We will continue to work on climate change strategies even though the federal government wants to distance itself from any meaningful action on climate change because we know in South Australia that it is what we need to do for the future strength of our economy.

**Mr PICTON:** I have a question relating to Volume 2, page 161. Will the minister provide the committee with an update on the progress of making Adelaide carbon neutral and outline what the government hopes it will achieve for South Australia?

**The Hon. I.K. HUNTER:** A fantastic question from a fantastic local member. In February, His Excellency, the Governor, announced at the opening of parliament that Adelaide would strive to become the world's first carbon-neutral city. We know that this is a competition. We know other cities are in the race and that is part of the design of our thinking. This initiative builds on our state's record on climate action and progresses our efforts to build a low-carbon economy. We want to help businesses and households in the CBD reduce their costs while also driving economic growth and increasing our competitiveness. We are working closely with the city council in this endeavour. We will achieve carbon neutrality by reducing emissions where possible and offsetting the remainder.

We are also working with business and the community as we set about developing proposals that will help us become the world's first carbon neutral city. This includes hosting workshops in partnership with the Adelaide City Council. The Green Zone will also help improve the quality of life for those living and working in the city. It will reduce the heat island effect, providing shading and cooling and reduced air pollution, and taking decisive and targeted steps towards carbon neutrality

in Adelaide will provide substantial economic benefits. It will help shape the state's future economic prosperity by harnessing the opportunities that emerge from transforming to a low-carbon economy.

I very much look forward to continuing this important work across government in partnership with an incredibly enthusiastic city council and city mayor. A strategy for achieving a carbon-neutral Adelaide is being developed as part of the government's development of a new climate change strategy, as I said in response to the member for Flinders' question, and consultation on the draft climate change strategy is planned to take place in late 2015.

It is essential that we are early movers and adopters. You will remember earlier I talked about an \$8 trillion investment in renewable technologies and low-carbon economies that are coming at us. This was the analysis of international agency, Bloomberg, not us. If we are not in at the ground floor helping our businesses, our industries and our agricultural producers get in at this early adopting stage, we will miss the boat and we will not be able to take advantage of all that will flow through our economy and all that will flow through in terms of job creation. This is why we are pursuing this with such vigour because our community needs it into the future.

**Mr WHETSTONE:** The reduced expenditure on climate change programs: Budget Paper 4, Volume 2, page 160. The \$1.5 million decrease in expenses is primarily due to reduced expenditure for the climate change implementation adaption framework (\$0.4 million). The departmental savings strategies and climate change adaption and cluster project all decreased in funding. Will you provide details of each of these reductions in program expenditure?

**The Hon. I.K. HUNTER:** If you are looking at page 160 and we are comparing the estimated result in 2014-15 with the actual result in 2013-14, I am advised in relation to the first line—and that should be 'adaption framework' not 'adoption'—climate change, that is a grant program that finished. The second line, departmental savings, is just a share of the departmental savings across the whole department. But if you look across the table, you will see, under 2015-16 Budget, that in fact the budget has gone up to \$2.343 million—almost a 30 per cent increase in program expenditure under the 2015-16 budget.

I have to say, no-one else—certainly not at the commonwealth level—is increasing their expenditure on climate change. We are, and we will continue to do so, because we know we have to do it without any help from the federal Liberal government. That is why you need to look at the table and see that the expenditure has gone up by roughly 30 per cent in the year 2015-16 budget.

**Mr WHETSTONE:** No, we don't believe you.

**The Hon. I.K. HUNTER:** Well, the figures are in front of you. Do the calculations.

**Mr WHETSTONE:** We don't believe you.

**The CHAIR:** With that, I sadly declare the examination of the Minister for Climate Change closed. It could have gone all day; that's right. There being no further questions, I declare the examination of the proposed payments for the Department of Environment, Water and Natural Resources and administered items for the Department of Environment, Water and Natural Resources completed.

At 15:31 the committee adjourned until Thursday 23 July 2015 at 10.00.