

**HOUSE OF ASSEMBLY****Tuesday, 30 July 2019****ESTIMATES COMMITTEE B****Chair:**

Mr S.J. Duluk

**Members:**

Hon Z.L. Bettison  
Mr D.K.B. Basham  
Mr D. Cregan  
Mr E.J. Hughes  
Mr L.K. Odenwalder  
Mr A.S. Pederick

*The committee met at 09:00**Estimates Vote***DEPARTMENT FOR TRADE, TOURISM AND INVESTMENT, \$49,464,000****MINISTER FOR TRADE, TOURISM AND INVESTMENT, \$5,294,000****Minister:**

Hon. D.W. Ridgway, Minister for Trade, Tourism and Investment.

**Departmental Advisers:**

Ms M. Antcliff, Acting Chief Executive, Department for Trade, Tourism and Investment.

Ms S. Adlaf, Director, Strategic Operations, Department for Trade, Tourism and Investment.

Ms N. Slivak, Director, International Markets and TradeStart, Department for Trade, Tourism and Investment.

Mr P. Klar, Director, International Education and Tourism, Department for Trade, Tourism and Investment.

Mr G. Artz, Director, Defence and Space, Hi-Tech and Creative Industries, Department for Trade, Tourism and Investment.

Mr J. Ross, Director, Policy and Analytics, Department for Trade, Tourism and Investment.

Ms R. Lang, Manager, Finance, Department for Trade, Tourism and Investment.

**The CHAIR:** Good afternoon. The estimates committee is a relatively informal procedure and, as such, there is no need to stand to ask or answer questions. I understand that the minister and the lead speaker for the opposition have agreed to an approximate time for the consideration of proposed payments, which will facilitate a change of departmental advisers. Can the minister and the lead speaker for the opposition confirm that the timetable for today's proceedings previously distributed is accurate.

**The Hon. D.W. RIDGWAY:** Yes.

**The Hon. Z.L. BETTISON:** Yes.

**The CHAIR:** Changes to committee membership will be notified as they occur. Members should ensure that the Chair is provided with a completed request to be discharged form. If the minister undertakes to supply information at a later date, it must be submitted to the Clerk Assistant via the answers to questions mailbox no later than Friday 5 September 2019.

I propose to allow the minister and the lead speaker for the opposition to make opening statements of about 10 minutes each, should they wish. There will be a flexible approach to giving the call to ask questions based on about three questions per member, alternating each side. Supplementary questions will be the exception rather than the rule.

A member not on the committee may ask a question at the discretion of the Chair. Questions must be based on lines of expenditure in the budget papers and must be identifiable or referenced. Members unable to complete their questions during proceedings may submit them as questions on notice for inclusion in the assembly *Notice Paper*.

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

All questions are to be directed to the minister and not the minister's advisers. The minister may refer questions to advisers for a response. The committee's examination will be broadcast in the same manner as the sittings of the house are broadcast, that is, through the IPTV system within Parliament House via the webstream link to the internet and the Parliament of South Australia video-on-demand broadcast system.

I will now proceed to open the following lines of examination: the portfolio being the Department for Trade, Tourism and Investment, Health Industries SA. The minister appearing is the Minister for Trade, Tourism and Investment. I can advise that the following members have requested to be discharged, being the members for Morphett, Playford and Wright. They have been replaced by the members for Finniss, Ramsay and Elizabeth.

I declare the proposed payments open for examination and refer members to the Agency Statements, Volume 4. Minister, could you please introduce your advisers for the committee and make an opening statement if you so wish.

**The Hon. D.W. RIDGWAY:** Thank you, Mr Chairman, and thank you for the opportunity to highlight some of the achievements of the Department for Trade, Tourism and Investment for the last year and also the year ahead. It is a pleasure to welcome my great team from the department here with me. They are working very hard to support the government's ambitious reform agenda.

I have with me, on my left, Ms Megan Antcliff, the Acting Chief Executive of the Department for Trade, Tourism and Investment. Further on the left is Ms Sophie Adlaf, Director, Strategic Operations. On my right is Ms Narelle Slivak, Director, International Markets and TradeStart. Behind me on my left is Mr Peter Klar, Director, International Education and Tourism. On the right is Ms Rebecca Lang, Manager, Finance. At the back, assuming they have not swapped seats, is Mr Gavin Artz, Director, Defence and Space, Hi-Tech and Creative Industries, and on the right is Mr Justin Ross, Director of Policy and Analytics.

South Australia has a rich history of innovation and enterprise, fuelled by vast natural resources and world-class industry capabilities. Yet, despite our expertise and natural advantages, in the past two decades South Australia has failed to achieve its full potential, with our share of national income, population and employment growth all declining. To reverse this legacy, the government is embarking on an ambitious reform agenda, on empowering our key industry sectors to tap into new markets and attracting greater interstate and international investment into our economy.

To support our objective to build a stronger and better performing South Australia, the Department for Trade, Tourism and Investment was created at the beginning of the 2018 financial year. Despite facing significant challenges with the state budget, which is still very much under repair, and of course the significant blow of a \$2 billion GST writedown, I am pleased to report that South

Australia is in a strong position, and the government is steadfast in its commitment to building upon this momentum.

It is no secret that the Marshall Liberal government is positioning South Australia to grow, setting an ambitious target of 3 per cent of growth per annum. After commissioning a New Zealand former minister for economic development, the Hon. Steven Joyce, to review South Australia's international and interstate engagement, the government has wasted no time in taking deliberate actions to drive growth.

We have identified priority sectors that have substantial prospects for growth, and we are working closely cross-agency and in direct collaboration with industry to develop sector strategies and agreed growth targets. Those priority sectors are: food and agribusiness, tourism, international education, minerals and energy, defence and space, creative industries, high-tech, and health and medical industries. As recommended by Mr Joyce, we are coordinating a whole-of-government response to these industry growth strategies through the establishment of the South Australian Growth Agenda, designed to lift the state's competitiveness and attract investment in our leading export industries.

Delivering on this growth agenda is the primary function of my department and will form much of the core work that we do over the next financial year as we build on the foundations that we laid in the previous financial year. Joyce also called on South Australia's state brand to be less inward-focused and to instead promote South Australia to the world. The Department for Trade, Tourism and Investment is now managing the state brand, which includes the much admired gateway logo, and is continuing the local I Choose SA campaign. Together with the recently established state promotion task force, we will position and use the brand to promote South Australia interstate and overseas to increase exports and jobs growth.

Furthermore, the Department for Trade, Tourism and Investment will now have the lead responsibility for the coordination of all outbound economic missions and the development of an annual business missions calendar, which will be developed together with industry and can be found on the department's website. I must also make the point, as evident in the budget papers, that subsequent to the Joyce review there have been significant machinery of government changes affecting the Department for Trade, Tourism and Investment.

Some of the bigger changes include Immigration SA transferring out of my department to Industry and Skills and the following teams transferring into my department as of 1 April 2019: case management and regions, industry policy and analytics, industry and business growth, the State Coordinator-General, the China strategy team and the Office of the Agent-General budget and administration team.

I am pleased that, since its inception, my department is delivering for South Australia. In 2018-19, the department had a target to support South Australian businesses in achieving \$50 million in export success through departmental activity. I am pleased to share that \$52.3 million of export sales have been reported as of 30 June 2019. Another target was to provide 400 export businesses with training, mentoring and advice on boosting markets; this was exceeded with a record 735 individual South Australian businesses engaging with these services.

The uptake of our Export Accelerator Program has been fantastic, with 55 businesses accessing \$1.18 million of grants to facilitate trade opportunities. We are also fulfilling our election commitments to open a trade office network across the globe, with offices already open in China and another one in North Asia. We are well on the way to opening offices in Dubai, the United States and Kuala Lumpur and establishing a trade representative in Guangzhou.

We have fulfilled multiple election commitments in the field of international education. Our international student numbers were around 38,000 last year, bringing in \$1.8 billion. I will repeat that figure: \$1.8 billion to our state's economy. This is well above the target of 37,250 students for \$1.55 billion.

In 2018-19, the department had a target of creating 2,000 new jobs and attracting \$500 million of investment from companies in targeted industries that are direct clients of DTTI. As of 30 June this year, 30 company investments had been secured, with over \$612 million in capital

expenditure invested, creating over 2,800 jobs: 1,851 direct jobs and a bit over 1,000 jobs in construction. Some achievements in the past year include attracting to South Australia Berkshire Hathaway, Southern Launch, Akuo Energy, Sony PlayStation and of course MIT, which I am happy to talk about in a bit more detail later on.

This budget also sets new targets for our department which reflects a movement from specific value targets to whole-of-economy targets. The department now has responsibility not only for its clients but to the whole of the economy and driving sustained economic growth to ultimately reaching our target of 3 per cent growth of GSP.

Last budget the government established the Economic and Business Growth Fund to attract and then support significant new technologies, capabilities and expertise in industries that align to the state's competitive advantages. The government will consider companies that fulfil the objectives of the fund if there is a strong return on investment. This fund has already been used towards Mitsubishi's Australasian headquarters at Adelaide Airport, assisting in public infrastructure for the rebuild of Thomas Foods International operations and attracting Sony PlayStation to South Australia.

The fund has also been used to establish the South Australian Landing Pad. This program, which was announced in March this year, will proactively target and attract international and interstate early stage companies with transformational and high-growth potential across all priority sectors. The program also provides established companies with an effective way of creating, if you like, a beachhead in the state, testing opportunities and growing. The \$4 million over four years used to fund the program will enable successful applicants to access only local business service and accommodation, returning all the fund back to the state's economy.

There have also been big wins in the renewable energy sector, with Rise Renewables' pumped hydro project at Baroota and SIMEC ZEN Energy's solar farm at Cultana, both obtaining approvals for development worth a combined \$1.05 billion. Additionally, the government has implemented a new industry-to-research engagement model through the business growth and competitiveness portfolio. A six-month pilot led 110 companies to directly engage with experts in robotics and automation within Flinders University to advance company productivity.

The success of the pilot provided this government the opportunity to extend the model and launch the Emerging Technology Interest Groups to enable manufacturing companies to explore key Industry 4.0 technologies facilitated by experts across our major South Australian universities—digital transformation technologies covering virtual and augmented reality, additive manufacturing and 3D design, artificial intelligence and machine learning, advanced sensors, data driven decision-making and the industrial Internet of Things. Within the first month of the launch of this industry group, we have had 80 companies participate within the program.

When discussing achievements for the last financial year it would be remiss of me not to mention the fantastic work done by the Immigration SA team around the Designated Area Migration Agreements and the national visa settings in the population growth debate. My department undertook a significant body of work to ultimately secure new visa settings, increased state nomination caps and secure the two DAMAs with the federal government.

Of course, with the machinery of government changes Immigration South Australia has moved to the Department for Innovation and Skills, but I am confident the team will continue to do its good work in delivering for South Australia. Incidentally, the team that put that project together included a number of government agencies. As you can see, we have reached and exceeded our 2018-19 goals and have not stopped in implementing our strong plan for real change.

Finally, as announced on 2 July, Ms Leonie Muldoon will come on board as the new chief executive of the Department for Trade, Tourism and Investment. We are excited for Ms Muldoon to commence in the position on 19 August. Ms Muldoon will bring with her a wealth of experience in the trade and investment sectors internationally, and we are confident she has the expertise to drive the South Australian growth agenda and implement the endorsed recommendations outlined in the Joyce review to grow the economy, grow our exports and create local jobs.

There is still much more work to be done and I am looking forward to implementing our ambitious 2019-20 agenda to continue our work in driving growth and creating new jobs.

**The Hon. Z.L. BETTISON:** Can I draw your attention to Budget Paper 4, Volume 4, page 134, the performance and activity indicators. Why does the government believe it is worthwhile to stop tracking the number of new jobs created from DTTI activity, jobs that you actually just spoke about in your opening statement?

**The Hon. D.W. RIDGWAY:** I thank the honourable member for her question. Following the Joyce review, we have an ambitious target to grow the economy. It is the view of the government that it is much better to have whole-of-government targets on percentages rather than individual details.

I can repeat the figures: as of 30 June we had those figures of \$612 million and the creation of over 2,800 jobs. In discussions with the Hon. Mr Joyce it certainly makes sense to look at a whole-of-government approach to measuring these things. We clearly are very focused on growing the state's economy. We have had below the national average growth for the best part of two decades.

**The Hon. Z.L. BETTISON:** Minister, why did the government also make the decision to stop measuring the value of exports facilitated by DTTI? Currently, in the performance indicators, these are detailed and now you have made a decision not to capture that data.

**The Hon. D.W. RIDGWAY:** The data is captured but it is the view of the government and cabinet that the best way to measure it is on the percentage increases so that we can actually look at the trends over the long term. Things change in a number of areas so it is the government's view that that is the best way to measure those statistics over the long term.

**The Hon. Z.L. BETTISON:** But how will you determine the direct performance of DTTI on jobs and exports if you are not actually going to capture and measure the amount that you achieve?

**The Hon. D.W. RIDGWAY:** I think it is clear: if you look at the recommendations of the Joyce review it is about—and if you look at all of the great work that happened in New Zealand, which I think is one of the stand-out economies in the Western world in the last decade, they looked at overall growth and areas where they could get growth, and they measured it by looking at the percentage increase.

We will certainly be tracking all of the sectors. I draw the opposition spokesperson's attention to the good example of when we have a drought and our grain exports drop off through no fault of either the primary producers or the international markets. So some of those things can be a little volatile. I think when you are looking at measuring things on a percentage basis, it is a much more accurate way over the longer term to measure those things.

**The Hon. Z.L. BETTISON:** We might have some conversations about that, but obviously you have put in a new target, so we are looking at the growth of South Australia's share of foreign direct investment. What was the growth in SA's share of foreign direct investment coming to South Australia in 2018-19?

**The CHAIR:** Sorry, member for Ramsay, could you tell me where you are in the budget papers?

**The Hon. Z.L. BETTISON:** Budget Paper 4, Volume 4, page 134, continuing on the same topic. Obviously, the new target of 6 per cent is in there, but what is our share now in 2018-19?

**The Hon. D.W. RIDGWAY:** I thank the honourable member for her question. The Joyce review recommends that foreign direct investment levels be a key performance indicator for the Department for Trade, Tourism and Investment to acknowledge its accountability for the broader investment performance in South Australia. While DTTI does not control this measure on its own it has an opportunity to be a clear influencer on the growth of overall investment in the state over the medium term.

South Australia's long-term average of FDI coming into Australia is approximately 4 per cent over the past 15 years, according to data from fDi Markets. South Australia's share for the full year to 2018 was marginally higher at 5 per cent. The department is aiming to deliver a higher share of foreign direct investment coming into South Australia, with investment promotion and facilitation activities targeting 6 per cent of all foreign direct investment into South Australia.

Data relating to foreign direct investment is poorly captured at the state level, with federal statistical bureaus tracking country to country investment flows. The best source of state level information about foreign direct investment is through its access to fDi Markets, as in the reporting agency or the reporting body, a subsidiary of the *Financial Times*. fDi Markets provide access to a database of foreign direct investment announcements globally since 2003, based on media announcements.

fDi Markets show that between 2003 and 2018, South Australia attracted approximately \$22.58 billion in foreign direct investment, compared with a total of approximately \$586 billion nationally. In 2015, 2016 and 2017, the annual change in capital expenditure projects recorded into South Australia exceeded that of Australia quite significantly due to the very high growth of FDI that South Australia was experiencing. South Australia's share of the Australian FDI grew, peaking at 11.7 per cent in 2017, based on fDi Markets. Recorded projects into South Australia peaked in 2017, based on the value of capital expenditure and the number of projects, with the \$2.9 billion of capital expenditure representing 41 projects. In the same year, Australia recorded 412 projects with a total capital expenditure \$24.7 billion.

The large reported projects recorded in South Australia, according to fDi Markets, included a whole range of projects. Interestingly, SkyCity's expansion is listed in that year but, as we know, it is yet to be completed, so often these things have a little bit of a lag with them. The eight investment projects recorded account for approximately \$2.1 billion in capital expenditure.

In 2018, South Australia had 29 FDI projects recorded in fDi Markets with a total capital expenditure of less than half that of 2017. The top eight projects, based on capital expenditure, combined accounted for about \$839 million, and there are a few you will be well aware of: EasyMile autonomous vehicles, Mill Film (Technicolor), of course, and SolarReserve opening an office. Of the 29 FDI projects recorded in South Australia, 20 were recorded in the first half of the year.

**The Hon. Z.L. BETTISON:** On the same page, the performance indicators indicate that you have a target of 3 per cent real growth in business investment in South Australia. What was the real growth in business investment in South Australia in 2018-19?

**The Hon. D.W. RIDGWAY:** The growth in business investment for 2018-19? We really only have the long-term growth, we do not have the actual.

**The Hon. Z.L. BETTISON:** Minister, would you like to take that on notice?

**The Hon. D.W. RIDGWAY:** I will take that one on notice, it might be the easiest way.

**The Hon. Z.L. BETTISON:** Thank you very much. Minister, has anyone in your department provided modelling to Treasury about the impact of land tax changes?

**The Hon. D.W. RIDGWAY:** Not that I am aware—although, of course, we are not quite sure what those changes will look like. The legislation the Treasurer and the government have spoken of is yet to be consulted on and yet to be tabled. When we get closer to the end of that process we will have an opportunity to look at what has been proposed.

**The Hon. Z.L. BETTISON:** Do you share concerns, as have been expressed by the business community, that this might impact business investment growth in South Australia?

**The Hon. D.W. RIDGWAY:** The department has engaged with a number of businesses over the last few weeks and I think it is fair to say, without any sort of formal discussions, that not one of them has raised this as a concern. It is not something that has been high on the agenda of interstate or international businesses.

**The Hon. Z.L. BETTISON:** Minister, you have been away for the last few weeks. You do not think this is a topic of concern?

**The Hon. D.W. RIDGWAY:** I certainly think there is a range of factors that concern us all the time, but in this particular case I suspect that companies looking to invest in South Australia take into consideration a whole range of factors. I am not sure that the current changes to land tax are high on the agenda of international or interstate companies looking to invest here.

**The Hon. Z.L. BETTISON:** On the same page, what was the real growth in the value of exports in South Australia in 2018-19?

**The Hon. D.W. RIDGWAY:** When it comes to growth in exports, we have an ambitious target. Some of the export figures can be a little confusing. We have had a particularly bad drought over the last 12 months, and there was the fire at Thomas Foods, of course, which was a concern because that is a major exporter of South Australian meat and some of their figures have had a downturn.

If you look at the national figures, as well, things like coal, iron ore, LNG are going really well. We have a little bit of iron ore activity up in Mr Hughes' electorate but not to the magnitude there is in Western Australia or of the coal that comes out of New South Wales and Queensland. Sometimes those figures can be a little bit misleading, but the total goods and services exports sit at \$15.7 billion for the 2018 calendar year. This is higher than the \$12.6 billion of exports in 2008, so it is looking over a 10-year period, and that is resulting in annual growth of about 2.2 per cent.

Since the release of the Joyce review, we have been sitting down and consulting extensively with industry groups and the key export sectors. I think the key for us and the new approach with the Joyce review is we really want to make sure that all the activities are industry-led. We want to sit down and talk to industry and find out what they want to do, what markets are important to them and where they want to go.

It is very easy to not listen to industry, but they are the ones who own mortgages and put their businesses on the line to make products, to grow a product, to manufacture a product, to brew, to distil, to turn grapes into wine—whatever they do. I think it is important that we listen to them, and that is something we have been very actively doing over the last not quite six months since the Joyce review was handed down, and prior to that. It is important to work closely with industry. I think government has to work with industry, not industry work with government.

Certainly, in growing those exports, we will be doing trade missions where industry would like us to go, and inbound missions. On a beautiful day, South Australia sells itself. It is a lot easier to have a buyer here to show them South Australia than trying to explain to them on the other side of the world at a trade mission or a trade show where there are 10,000 other people from all over the world saying how good their part of the world is. I think South Australia sells itself. We will certainly be listening to industry. As I just said, we have had about 2.2 per cent of annual growth over the last decade and the figures last year were encouraging.

**The Hon. Z.L. BETTISON:** On the same page, does Business SA deliver the program related to the number of new export businesses provided with training, mentoring and advice on boosting markets?

**The Hon. D.W. RIDGWAY:** Can you repeat that, please?

**The Hon. Z.L. BETTISON:** Under the activity indicators, there is a target to provide training, mentoring and advice on boosting markets. Does Business SA deliver this program?

**The Hon. D.W. RIDGWAY:** Business SA does a part of that. Of course, we also have our TradeStart network around the state that does some work for it, so that is important. We have five or so people. There are two in the metropolitan north and south, the Limestone Coast, the Riverland, the north and one is based up in the Barossa. They do a lot of good work. Mr Todd Miller leads that team and does an excellent job. Of course, we also have the Export Ready Program that Business SA delivers.

**The Hon. Z.L. BETTISON:** Has Business SA's contract to provide these services been extended and for how long?

**The Hon. D.W. RIDGWAY:** It has been extended. Because we have a new chief executive, there are a few things we thought it might be useful for the new chief executive to get her teeth into. The funding has been extended to 31 December, and it will be a program that Business SA and Ms Muldoon will sit down and have a look at. We have some opportunities to look at how that program is delivered. I know Mr Martin Haese, the new Business SA chief executive, is excited about the opportunity. Maybe it is not business as usual as we have had over previous times. We are really

looking at how we can work closely together, and it is one of the first things that I will ask the new chief executive to turn her mind to because it is important to have exporters ready to export.

In the past, with the large trade missions that the former government did, at times I think we had a lot of people who just went for a look. There was a bit of tyre kicking. Now that we have two trade offices, and ultimately we will have five in place soon, we do not need a trade mission. If somebody wants to export, we need confidence that they are ready to export, and then go to China and see Xiaoya, or go to Japan and see Sally Townsend, or Bill Muirhead and his team in London. We need to make sure that they have the capability and are prepared and ready for export. I am quite certain that we will have training and mentoring programs going forward.

**The Hon. Z.L. BETTISON:** I turn to Budget Paper 4, Volume 4, page 133. Looking at the explanation of 'significant movements', there is a line mentioning the 'rationalisation of overseas business missions and international advisors'. How many outbound business missions has DTTI conducted in the 2018-19 financial year?

**The Hon. D.W. RIDGWAY:** While I get the exact figures—because there have been some that they have done where I have not been involved—following the Joyce review, we have certainly made sure that we are more focused on especially our sectors, as I said in my few comments before because I think it is important not just to be saying we are doing business missions for the sake of doing business missions, but we need some outcomes.

We did five business missions last year, and I think there may have been a couple of other exploratory trips and things that various members of the department did. I often got into a lot of trouble in this chamber a few months ago and was a bit flippant in the way I referred to how you build relationships with people, so I will not repeat that today.

**The Hon. Z.L. BETTISON:** That would be wise, minister.

**The Hon. D.W. RIDGWAY:** It is important to make sure that you do build relationships with people and businesses. People do not sign up the very first time you have met with them. There is a little bit of an opportunity to, but I think it is important that business is about building relationships. When an international business comes here or one of ours goes overseas, there is a relationship there. Certainly, in China and Japan, relationships are very important. I think that we will see the same will come through in the United Kingdom and the US, Dubai and Malaysia, that it is about knowing the person or the people or the government or the country you are doing business with. So we will be very focused on doing that.

I have some figures here. We had one to China; we did China in July last year. The Governor went to India for us because of course you and I were here in estimates. It was fabulous that he was prepared to do that, and I pay tribute to the work the Governor does. He is very happy to represent the state. I think he may have done it for the former government, and I think it is also important that he is happy to do his bit. We went to China and Hong Kong in November. We did North Asia, Japan and South Korea in March which, of course, was to open the Japanese trade office. Again, the Governor was there to open it. He was very happy to do it. Then we did one to Europe in April this year.

So we have had some activity. You would be aware that we have the new missions calendar up on the website. It is only until Christmas—it is six months—because we want it to be industry-led. We did not want to just say, 'This is where we are going, get on board.' We actually want to make sure that industry has input into where we go and why we go to those markets. So we have developed the first six months and, through consultation over the next few months on our sector plans, I am sure that we will then be able to populate the next six months.

I do not know whether it will be possible, but I am sure there will be certain things that we say, 'Actually, this is very good. We need to keep doing that particular trade show every year for the next five years.' There may well be some components that will evolve over time that we see as annual things—things like SIAL in Shanghai. I have had discussions with the AFL to try to see if we can get the football lined up more closely to SIAL. This year, it was two weeks after. Certainly, from our small exporters, they are not going to go to SIAL and then hang around in China for two weeks waiting for the footy.

I have had discussions with the Victorian minister, Mr Pakula, who is the Minister for Trade, to ask him his view and he thought the same. I have spoken informally to the AFL about whether it is possible to shift it slightly. It is a little bit complicated because they have to have a bye when they get back from being overseas, so it is about scheduling all the matches. It is not just about our exports. I think there is some interest in trying to align all of that.

As I said to minister Pakula, it would be good for South Australia and Victoria to go there as team Australia, have the competition on the footy field and just be there as a team promoting our great products, whether they be South Australian or Victorian food or wine services—they are a big state. He was receptive to that. So we will see how that unfolds over the next few months.

**The CHAIR:** The member for Kavel seeks the call.

**Mr CREGAN:** Minister, can I take you to Budget Paper 4, Volume 4, page 134. Earlier, you mentioned the international trade offices. Can you please provide the committee with an update in relation to the opening of those offices?

**The Hon. D.W. RIDGWAY:** I thank the honourable member for his question. Indeed, one of the commitments the Marshall government took to the election was around opening a network of trade offices. It did confuse us in opposition as to why the former government closed virtually all of them. I think we had 11 at the peak and we kept the Shandong one in Jinan open and, of course, the Office of the Agent-General in London, but all the others were closed. As a state that needs to export to grow its economy, I think that was an interesting decision.

Our policy of regaining our ground in international trade will, we think, transform South Australia's economy through growing exports in our key markets. Of course, we have already opened the first two offices, one being in China which we opened in Shanghai last November. It has been a wonderful opportunity to get back into that market and, of course, we have partnered with Austrade to do that work. Some people have the view that with Austrade it cannot be as nimble or as flexible, but we found it to be a really great opportunity to build that relationship, especially given we have a fabulous federal government and a sensational Minister for Trade, Tourism and Investment, the Hon. Simon Birmingham, who is a South Australian and personal friend.

Stephanie Faye, the Chief Executive of Austrade, is very supportive of, if you like, the sort of Australia House-type model, where, a bit like London, we have the mothership and all the states plug in. We are a small state. All the expense of standalone offices, as grand as they might be, are very expensive—you have all the overheads—whereas with Austrade we can rent the conference room on days that we need the conference room, we can use the videoconferencing when we need to use the videoconferencing, and we have access to the high-tech facilities and all of Austrade's network.

I do detect that there is a real team Australia approach. So we have used that model in Shanghai, and one of the reasons we had to use it is, because we had walked away, we lost our operating licence. I do not know if there was ever a consideration of the former government, but those operating licences are not easy things to get back again. Austrade have one, so it was an opportunity. It was to the point where we could not even have a website that is active inside China because we are not allowed to operate there.

So it has been a good success, and in the 12 months to May 2019 I think exports have gone up \$238 million, and China will be a key part of our export story. Clearly, wine exports grew by 13 per cent, up to nearly \$1.8 billion in the last 12 months. Of course, being the member for Kavel, you would know how important wine exports are from your region. Maybe Mr Hughes is the only one who would not have any wine growing in his electorate, but pretty much everybody else is close to it or has some growing in their electorate. I think that is interesting. It is a particularly important sector for us and we will continue. One of my great views and beliefs during my career in business is that you should play to your strengths and wine is clearly one of our great strengths. Everybody recognises South Australia's wine.

As I mentioned, the Tokyo office was opened by the Governor in March this year, which is sort of like a North Asia office, Japan and Korea. Each office has a director: a lady called Xiaoya Wei, in China, who has done a great job, and, of course, Sally Townsend, who is the country director in Japan. Sally was born at Tennyson. She is a South Australian who has lived in Japan for about

20-odd years. She is married to a Japanese gentleman up there. For those of you who have met her, Sally is nearly six foot tall and has blonde hair, so she stands out quite nicely in the Japanese market. She will do a fabulous job. To her, it was her dream job.

So those two offices have gone really well. We have three more to open: Kuala Lumpur, Dubai and the United States, and we expect to have the last one open in the 2021 year. Then, of course, as I said before, it is very much about, if you are an exporter and you have a product, and you think you would like to—we have people on the ground. You do not need a trade mission. We have people there 365 days of the year ready to go.

I am excited, and we hope to have some announcements around dates in the near future and also locations, especially the US one. I nominated Dubai and Kuala Lumpur, but with the US one, I think we will have a location. That is one of our biggest export markets, it is one of our longest allies, for a whole bunch of reasons in the geopolitical defence space, and I think that is a market that we have withdrawn from.

After the GFC, the wine boys took a reasonable haircut but I think there is quite a lot of interest back in South Australian products. I also think one area in which the US is ripe for us is in our tourism offering here of fine food and fine wine and a little bit slower paced. I know that in the US or North America there are—we call them grey nomads here and I think they call them snowbirds—about 80 million snowbirds. I suspect nearly all of them have on their bucket list visiting Australia. The goal for us would be to try to prick that so that it is actually South Australia. 'If you are semi-retired or retired, this is the place to come. We have some of the nation's best food and wine. Come and have a look at it.' So I think there are some great opportunities with the US as well.

**The Hon. Z.L. BETTISON:** Minister, may I make a concern that, while I think your observation is obviously Ms Townsend's height and hair colour, her skills and experience are probably what will serve us best.

**The Hon. D.W. RIDGWAY:** I could add that her skills and experience were how she achieved the job. She was the stand-out candidate, no doubt about that, and was perfect to the—

**The Hon. Z.L. BETTISON:** And perhaps 'wine boys' and 'girls'—there are many women involved in the wine industry as well.

**The Hon. D.W. RIDGWAY:** Yes.

**The CHAIR:** Is there a question, member for Ramsay? I am keen to stick to the budget papers here, not some running commentary.

**The Hon. Z.L. BETTISON:** Continuing on Budget Paper 4, Volume 4, page 133: what was the total cost to conduct the G'Day USA business mission and why did you not go?

**The Hon. D.W. RIDGWAY:** The G'Day USA business mission, my understanding of that was that it was funded by the Premier, and my understanding is that it was funded from his budget. We cannot all be out of the state all of the time. As reported, I think I had six overseas trips last year. There is a limit to how many times you can be away from South Australia. The Premier and minister Pisoni went. That is my recollection. I think that was very much funded by the Department of the Premier and Cabinet.

**The Hon. Z.L. BETTISON:** What was the budget for business missions in 2018-19, and the budget for business missions in this upcoming year in 2019-20?

**The Hon. D.W. RIDGWAY:** I will just wait for my team to get the accurate details for you. As I said, we have drifted away from the big, large travelling caravans of business missions that the former government had. I do have the actual figures here. The budget for 2018-19 was \$599,000 and for 2019-20 will be \$624,000. I make this comment: it is about sitting down and talking with the industry about what they want. It is really important that we support industry with what they want to achieve from growing their businesses. Towards the end of the former government, there was a level of, I would say, business mission fatigue, that people got on board and went and said, 'Oh, gee, there is another one next week, or next month, we'd better go.'

I detected speaking to industry that, again, while for businesses to go it is a tax-deductible expense, there again you are not running your business if you are out on a trade mission. So we are

really keen to make sure we do what business wants to support business. I did also mention about the value of the inbound missions. I think we overlooked that. As I said, I have the good fortune of being on the 13<sup>th</sup> floor of the State Admin Centre, and, looking out to the south on a nice day, South Australia sells itself. It is beautiful.

With the inbound missions that we did last year, obviously China with the Shandong Group came to the show; we had a horticultural one in October; and we did some work around an inbound mission around cricket when India came. I think where there are target countries and, although they are great people, I am not sure we do much export or opportunities with the West Indies, so when the West Indies are in town for test cricket, we may not have an inbound West Indian mission, but if you have some contacts, maybe you can help me there.

Then we had Tasting Australia, which I think is in 2019. That is a key one to bring people in. When we are showcasing our great food and wine, autumn is a perfect time to showcase our state to international buyers. I know a number of food and wine buyers came in this year. I am keen to try to grow and expand that. We are fortunate that, back in a former Liberal government, either minister Ingerson or minister Hall grabbed the name 'Tasting Australia', so now we own Tasting Australia. It is not 'Tasting South Australia'.

It is probably a bit of a fluke perhaps, but 25 years on I think we should be really pleased that we have that title of that event: Tasting Australia. Let's face it, it is hard in the international market. A lot of people know a bit about Australia. It has always been a challenge for South Australia to stand out from the crowd. So for us to have an event that is about Tasting Australia, I think we should be very proud of that.

Of course, there was also an inbound wine mission at the same time, bringing in influencing wine writers. The inbound mission is something where we are not competing. Once we have somebody here, there is nobody else in their stand five metres down the exhibition hall trying to sell their product: we have them captured here.

**The Hon. Z.L. BETTISON:** So, minister, do you admit now that you got it wrong—like the Joyce review said, that it was wrong to cut back the business missions?

**Mr PEDERICK:** Do you have a budget line?

**Mr ODENWALDER:** Point of order.

**The Hon. Z.L. BETTISON:** We were talking about the business missions.

**The CHAIR:** There is a point of order. Member for Hammond, it is unparliamentary to interject. As such, if you seek the call, you can perhaps do it through me, Member for Hammond.

**Mr PEDERICK:** Thank you, sir, for your guidance.

**The Hon. Z.L. BETTISON:** It is very clear on page 133 about the rationalisation of overseas business missions. It is stated very clearly on the budget paper.

**The Hon. D.W. RIDGWAY:** I do not think we got it wrong. When I have spoken to Mr Joyce, again we talked about business missions.

**The Hon. Z.L. BETTISON:** But you have changed the size of it from when you first came into government. You minimised the amount of trips and now you have reverted back.

**The Hon. D.W. RIDGWAY:** I think it is a \$25,000 increase. I am not sure that from one budget to the next—okay, it is an increase, a relatively small one. We are not going to stray away from our approach of, again, smaller, more targeted missions, going where industry wants. There are some opportunities in markets all over the world where we can just take the people or, as I have said numerous times already this morning, if industry wants to go and we have an officer in a market, we get them over there and get their product in front of some buyers.

If you think about the Joyce review, we will be guided by the recommendations of the Joyce review. Mr Joyce said we should have an annual calendar. I think that is something that you have obviously questioned us about, and I think that is a reasonable thing. Businesses need to actually plan a little bit ahead.

**The Hon. Z.L. BETTISON:** So you think it was a mistake not to have a calendar that was publicly available?

**The Hon. D.W. RIDGWAY:** No, I think it was just an evolution. Once the Joyce review was underway—it was initiated in October last year and we did not get the findings until March—we had some activity. Clearly, we opened a Japanese office. That was around Foodex. The Food SA team were going to take some of their people to Foodex so there were some opportunities to take some other people up there. Joyce has said to us that he really wants us to make sure that we consult with industry sectors and groups, and only really proceed with those that are sought after and encouraged by exporters. The participating companies should be prequalified.

What I have said before is that we want to make sure that we have the training and mentoring, but also make sure that we go where the companies want. We have been consulting extensively with food and agribusiness, international education, tourism, energy, minerals, defence—all the sectors. International education is an interesting one. We have 40-odd per cent of our students come from China. It is good to see we are getting some extra growth now out of India and some other parts of Asia.

Interestingly, Latin America has started to show up now as a growth sector for us. I am led to believe that may be due to some of Latin America's concerns about the US and access to the US, but it presents a great opportunity for us, through Brazil, Argentina, Chile, Mexico. When we catch up at our trade, tourism and investment ministers meetings, some of the other states and Austrade have been focusing on Mexico as well. I think there are some opportunities in there, but again, we will go where the industry sectors want us to go and support their activities.

**The Hon. Z.L. BETTISON:** Minister, you like to listen to business: you have said that that is very important. I go back to the issue of land tax because I do not think that you are listening to business. Business is speaking quite clearly about this.

**Mr CREGAN:** Point of order, sir.

**The CHAIR:** Yes, member for Kavel.

**Mr CREGAN:** This is clearly debate.

**The CHAIR:** There is an element of debate. I am keen to get the budget line item and page, member for Ramsay, in terms of land tax.

**The Hon. Z.L. BETTISON:** Let me move on. Budget Paper 4, Volume 4—

**The CHAIR:** I am happy to take the question, if it is there.

**The Hon. Z.L. BETTISON:** I will move on, Chair.

**The CHAIR:** Very good.

**Mr CREGAN:** There wasn't a question.

**The CHAIR:** Order! I do not need your assistance, member for Kavel. Sorry, member for Ramsay, all yours.

**The Hon. Z.L. BETTISON:** Budget Paper 4, Volume 4, page 131, agency highlights. When will the growth agenda be publicly available?

**The Hon. D.W. RIDGWAY:** Of course, there will be four chapters of the growth agenda, and they will be informed a bit by the sector plans. We are working through the sector plans at the moment, and there are a couple that are reasonably well advanced. If you like, the eight sector plans are the verticals: you have tourism, food and wine, defence and space, high-tech, energy and mining, international education, creative industries, and health and medical. Then, if you like, the growth agenda forms the horizontals, which are around trade and investment, water and environment, innovation and skills, and infrastructure.

We do not actually have to have all the sector plans developed and released, but we need to make sure that they are sufficiently developed so that we know the growth agendas are going to

support them. The growth agenda that Mr Joyce recommends has 25 or so actions or policy initiatives over a period time.

**The Hon. Z.L. BETTISON:** Like the South Australian Strategic Plan.

**The Hon. D.W. RIDGWAY:** I am not going to get drawn on that, Mr Chairman. A good example is the DAMAs (Designated Area Migration Agreements) that affect every sector in terms of skilled people, whether it is Thomas Foods wanting skilled people in their rebuild or people in high-tech, the defence sector or the health and medical industries.

The opportunity to get population growth in South Australia is very important, and things like DAMAs are a policy initiative that will populate the growth agenda. I am pleased to say that we were very happy to be able to negotiate that with the federal government. There are also things like international education, where we have been able to get an extra year of post-study work rights on the visas. I think we will see significant growth in the international education space.

When it comes to timing, it is really about trying to make sure that we develop the sector plans. When they are sufficiently developed, we will start to develop some of the sector plans in the second half of this year. When we are comfortable that we have had enough consultation with industry to be comfortable with the growth agenda and that we have the elements that will support all the sector plans, we will be releasing them.

**The Hon. Z.L. BETTISON:** Is DTTI the lead agency for the growth agenda?

**The Hon. D.W. RIDGWAY:** Yes, DTTI is. As I said in my opening statement, it is an important part and one that we will focus a lot of our attention on over the next 12 months. It is really about creating a competitive business environment, and it hinges on an understanding of what industry needs and how government can respond to help it. We are certainly pinning a lot of work on the Joyce review and implementing it, especially the growth agenda.

It is interesting to note that my department was responsible for 37 of the 58 recommendations from the Joyce review. Some were obviously to DPC and other parts of government. We have completed 16 of those 37, which includes all the machinery of government changes. Nine others have now been implemented and there are 12 in progress. A lot of them are included in and around the growth agenda, which, as I said, will be informed by the evolution of the sector plans.

**The Hon. Z.L. BETTISON:** Minister, I am a little confused—as you should be as well, as minister—about the increase in international student numbers, which is a very positive part of our economy. It is going to be part of the sector plans and the growth agenda, and yet, in the performance indicators on page 134, you are not actually giving a very clear target or result about international student numbers going forward. I am curious as to why you have made that decision.

**The Hon. D.W. RIDGWAY:** I thank you for the question. I am still confident that we will have—and when the international education plan is released there may be more details in and around the actual figures. The Premier and I have made it very clear: we wanted to double our numbers from 35,000 to 70,000 students. We want to take it from \$1.5 billion to \$3 billion. For every four students it creates one job. Every student that comes here spends \$46,000, on average—that is their contribution to the economy. So they are a particularly important part of the economy. We have had some really good increases in the first half of this year.

**The Hon. Z.L. BETTISON:** It is fantastic.

**The Hon. D.W. RIDGWAY:** So I think when you see the sector plans, then we will have an opportunity to have a look. But again, it contributes to a percentage of the growth of the state as well.

**The Hon. Z.L. BETTISON:** So you will not actually be able to see how many international student numbers are increasing, as you do currently with the performance indicators? It is actually going to be part of what section? How will we actually be seeing, transparently, the international student numbers?

**The Hon. D.W. RIDGWAY:** I think you should not be too concerned with that because I am sure that if the numbers are good I will be telling you all about them. As part of our sector plan the

estimated target for 2019 is 41,000 enrolments, so we have some targets that will be in the actual sector plan. I think you will see that when that starts to roll out.

**The Hon. Z.L. BETTISON:** It is curious that you will no longer be capturing that data, but I will move on to Budget Paper 4, Volume 4, page 130, looking at the net cost of services. The net cost of services will be cut by \$26.745 million to \$49.608 million. What programs or activity will be cut, reduced or merged into other activities due to these cuts? It is quite a substantial cut for your department.

**The Hon. D.W. RIDGWAY:** It is, and those figures can be a little bit misleading. I will actually get one of the team to provide perhaps a more detailed—no, maybe I have it here. A lot of those cuts or the reduction is around programs and things that have finished that were not—you know, legacy—

**The Hon. Z.L. BETTISON:** So there are programs that you are not continuing?

**The Hon. D.W. RIDGWAY:** Or legacy ones that were funded under the previous government that have reached the end of their project. So if you look at it there, you are right, the cost of service is \$49.6 million. We were created on 1 July 2018 and there were further changes on 1 April 2019. The department has undertaken an internal organisational redesign process to reshape the department's structure to enable it to meet the recommendations of the Joyce review and deliver on the government's key priorities.

Due to the timing of the recent MOG changes and the internal restructure, the department has presented one program entitled 'Trade and Investment' in the state—just one program. So it is just one program in the budget papers. Compared with the 2018-19 result, our cost of service has decreased by \$26.8 million.

**The Hon. Z.L. BETTISON:** Twenty-six point eight million—

**The Hon. D.W. RIDGWAY:** Yes—

**The Hon. Z.L. BETTISON:** —cut out of your department?

**The Hon. D.W. RIDGWAY:** —and that is due to a reduction in the forward commitments to the economic investment fund, which no longer exists, of \$13.4 million; industry and business growth case management and regions programs of \$8.4 million; the health industries fund of \$2.1 million; the Export Accelerator Program of \$500,000; and the Destination Adelaide grant of \$400,000. Then there was the \$3.8 million reduction in various programs and operational efficiencies, and that is offset by an expansion; we are putting some money back into our new trade and investment offices.

**The Hon. Z.L. BETTISON:** Can you detail that \$8 million? That is quite a significant amount of money for programs.

**The Hon. D.W. RIDGWAY:** I will take that one on notice, I think. We can provide that detail, but we just do not have it at my fingertips.

**The Hon. Z.L. BETTISON:** Just to clarify from your answer then, you said that there is a decrease of \$8.4 million for business case managers; is that correct?

**The Hon. D.W. RIDGWAY:** That is what I am advised, but I will take that on notice and get the detail for you.

**The Hon. Z.L. BETTISON:** So that is an additional \$8 million—

**The Hon. D.W. RIDGWAY:** No, my understanding is—and we will take it on notice—that \$26.3 million or \$23.6 million or whatever—

**The Hon. Z.L. BETTISON:** So the \$26 million—

**The Hon. D.W. RIDGWAY:** The \$26.8 million was made up of that, yes. I think that was part of it.

**The Hon. Z.L. BETTISON:** Perhaps, minister, I can ask you to detail the \$26.8 million cut and all the programs that were cut and all the activities that were cut from that significant cut.

**The Hon. D.W. RIDGWAY:** As I said, I will take that on notice and give you all the details.

**The Hon. Z.L. BETTISON:** Thank you very much. Budget Paper 4, Volume 4, page 129: on a headcount basis, how many people work at DTTI today?

**The Hon. D.W. RIDGWAY:** I will get that figure from the team in a moment as I do not have that figure in front of me. There certainly has been some restructure and changes, there is no question about it. Obviously, there has been the MOG changes that have precipitated some movement of staff around and, of course, we have a pretty challenging budget environment as well. There is always this, if you like, arm wrestle between trying to get the right number of people and making sure that the actual team has the resources to deliver. We are pretty confident we have got that right.

As of 25 June this year, the department employed 131 actual FTEs. The associated departmental cap, as of 30 June, was 136 FTEs, with the department having vacancies in five FTEs pending the implementation of new organisational structures. This excludes my ministerial office staff and the Office of the State Coordinator-General.

**The Hon. Z.L. BETTISON:** Minister, I ask you take on notice and come back to me about the actual headcount as opposed to FTEs that you have provided today.

**The Hon. D.W. RIDGWAY:** No, I think that is actual. That 131 is—

**The Hon. Z.L. BETTISON:** People.

**The Hon. D.W. RIDGWAY:** That is my understanding of the—

**The Hon. Z.L. BETTISON:** Not FTEs.

**The Hon. D.W. RIDGWAY:** It is written in my brief here as 'actual'. We will take it on notice and if it is anything different we will provide you with an answer but if it is no different then you can take that as being 131.

**The Hon. Z.L. BETTISON:** Using the same basis, how many people worked at DTTI at the end of 2017-18 and 2016-17?

**The Hon. D.W. RIDGWAY:** I think we have some figures but it is a bit awkward to compare things because immigration has gone out and different parts have come in. We will take that on notice because you are not comparing apples with apples and it can be a bit confusing if you just look at them in isolation. We will take that on notice because if the immigration team has gone then it might have been in the team before but it is not there anymore. I think we will take that on notice and provide you with a more accurate indication.

**The Hon. Z.L. BETTISON:** Are all the people in DTTI, from the last machinery of government changes, still working at the department?

**The Hon. D.W. RIDGWAY:** Which machinery of government change, the one—

**The Hon. Z.L. BETTISON:** You have obviously had two machinery of government changes but most substantially after the department started on 1 July. I understand that on 1 April this year, and I am asking if the same people who were part of that machinery of government change—particularly those who came into your department—do they still stay in your department? You had a lot of case management people come in—

**The Hon. D.W. RIDGWAY:** Yes.

**The Hon. Z.L. BETTISON:** —and you had people from about four or five different areas. Are they still there?

**The Hon. D.W. RIDGWAY:** My understanding is that most of them are. Their roles may have changed when we realigned with the recommendations of the Joyce review. My understanding is that some of the activities were possibly changed slightly but those people, by and large, are there.

**The Hon. Z.L. BETTISON:** Have there been any redundancies made since the last machinery of government changes?

**The Hon. D.W. RIDGWAY:** Since April?

**The Hon. Z.L. BETTISON:** Yes.

**The Hon. D.W. RIDGWAY:** I think there may have been a couple—about three, I am told. Why don't we take that on notice and provide you with the actual details?

**The CHAIR:** The member for Hammond has been patiently seeking the call.

**Mr PEDERICK:** I refer to Budget Paper 4, Volume 4, page 132, highlights. Could the minister please update the committee on the achievements for the 2018-19 year in attracting companies to South Australia?

**The Hon. D.W. RIDGWAY:** I thank the honourable member for Hammond for his ongoing interest in growing our state's economy. Previously, in my opening statement, I mentioned that the government is committed to boosting the state's investment as part of our ultimate goal of reaching 3 per cent growth in our gross state product. In 2018-19, the Department for Trade, Tourism and Investment facilitated \$584 million worth of investment which created 2,560 jobs.

Over the course of the year, DTTI was able to attract a range of companies to South Australia and I would like to highlight a number of these to the committee. Firstly, this year one of the world's biggest companies, Berkshire Hathaway, owned by Warren Buffett, announced that they were establishing operations in Adelaide as its reinsurance division takes over the management of the Motor Accident Commission's back book of the compulsory third-party vehicle insurance claims. That is a good outcome, to have Berkshire Hathaway in Adelaide. They will continue to grow their presence here and, I think, will probably look to other investment opportunities.

As part of that transaction \$300 million of the reinsurance premium was retained in South Australia, with \$100 million retained for five years, for local funds management, and yesterday we saw the Treasurer announce that they have put out to tender the contract to manage that \$100 million, which will run for the next five or so years. I know the government and Treasurer will work with the selected fund manager to try to develop a fund management sector here, and I am certain there will be some jobs that will grow from that.

That is part of our government's ongoing commitment to boost the local funds management sector, because we want to boost South Australia's finance sector by developing a strong sector and attracting and maintaining talented workers. Years ago, fund managers had to be right next to the stock exchange in Sydney or New York or London but now, with modern connectivity, with the connected world we live in, those people can be located anywhere. This is a fabulous opportunity to establish a small—to start with—funds management sector here. While it is a high-pressure sector to work in, with the beautiful lifestyle in South Australia there are some wonderful opportunities to live here and work in that sector.

Another one that is particularly important is that in December last year the Premier announced that Southern Launch would establish a dedicated commercial rocket launch site at Whalers Way on the southern tip of Eyre Peninsula. This was a fantastic announcement for South Australia. There is an increasing demand for launch locations for the small, polar-orbiting cube satellites that shoot out over the North and South poles and South Australia has a coastline that faces south, so there are some great opportunities there.

This particular launch site is expected to conduct about six launches a year for third-party clients and is estimated to create about 35 jobs. South Australia provides the perfect place for these low orbit satellites, and international companies can come in and launch their satellites from here. This was also part of the commitment we made to the space sector in the lead-up to the federal government announcing that the national Space Agency would be here, that we actually had some skin in the game. We said we wanted to help fund a company to establish a launching facility, and that sent a strong message to the federal government that we were serious about the space sector in South Australia. Of course, the federal government subsequently announced this national Space Agency.

For the honourable member's benefit, it is interesting that when I was fortunate enough to be in Germany and meet with the German space agency people, as well as the UK space agency people, they all asked when the announcement of the SmartSat CRC was going to be, and where

was it going to be. I guess they were in their sector, but I was blown away that people on the other side of the world actually knew what was going on in our state. That was a great announcement.

Another announcement was that Akuo Energy, in partnership with the South Australian-based Enerven, will invest \$12 million in Renmark for a renewable energy site. Called the Jane Eliza Solar Farm, it is 15,000 solar panels on 10 hectares of land within the Renmark Paringa Council area. The idea is that it will power 2,000 homes and create 40 jobs—so, a good little renewable energy project. Akuo also has plans to rollout several more of these projects across South Australia, I suspect in some of these regional communities. That will be good, because it will create more certainty and, hopefully, bring cheaper electricity for South Australian consumers.

The other announcement that I think was particularly exciting was that world-leading university Massachusetts Institute of Technology (MIT) decided to come to Lot Fourteen. When it was announced they said it was the world's number one university, and the Hon. Frank Pangallo quickly googled and said, 'It could be Stanford or Harvard.' Well, in some years MIT actually knocked them off as being the number one, but if you are in the top three with Stanford, Harvard and MIT that is not bad.

They are going to establish one of their Living Labs at Lot Fourteen. They have already established one in New York, Beijing and Istanbul, and to have them here will be a wonderful opportunity. I have to take just a little bit of credit for this one. In March 2017, I flew to New York and then on to Washington to go to a blockchain world summit which, it is fair to say, was probably outside my pay grade; nonetheless, I was there.

*The Hon. Z.L. Bettison interjecting:*

**The Hon. D.W. RIDGWAY:** No, none whatsoever. One of the main reasons for going was to meet one of the individuals from MIT and to pitch to them that South Australia is a place they should bring one of their Living Labs to. That meeting happened 2½ years ago. Now, 2½ years on, MIT have come to Adelaide as one of the world's leading universities.

In opposition, you do lots of things. You have good days and bad days in opposition, but that was one of those long shots, to go to the other side of the world, meet somebody and, again, build that relationship, build that friendship. He said to me, 'You are not an academic, so why would you want this?' I said, 'Mate, it is because I love my state and I know that what you could bring to our great state would be wonderful for South Australia.' It was a 2½ year project, and I was delighted when we got that opportunity.

One of the other exciting announcements was getting Sony Interactive Entertainment to Adelaide to open a new office. There are 32 system engineer jobs that did not previously exist. They have three offices around the world that back up their Interactive Entertainment PlayStation. At any time anywhere in the world, there is an office at work. I think there is one in California. When California signs off, they sign to us. When Adelaide signs off, they sign to Germany, I think. We have this wonderful opportunity with jobs that did not exist in Adelaide, an opportunity to support our gaming sector and creative industries. We have seen just today the young man who won the world championship in whatever that game was.

**Mr PEDERICK:** *Fortnite.*

**The Hon. D.W. RIDGWAY:** *Fortnite.* He said his mother had thrown his PlayStation out three times because she was sick of him playing it, but now that he has won almost as much money as the winner of the US Open, I think it shows that that sector has a huge opportunity.

**The Hon. Z.L. BETTISON:** Chair, relevance.

**The Hon. D.W. RIDGWAY:** I am nearly finished.

*Mr Pederick interjecting:*

**The CHAIR:** Order, member for Hammond!

**The Hon. D.W. RIDGWAY:** I am just trying to give four or five examples across a diverse range of sectors where we have had some success. You can see that with Sony, MIT, Akuo,

Southern Launch and Berkshire Hathaway. We have had a great year, and I am looking forward to an even bigger and better year next year.

**The Hon. Z.L. BETTISON:** Referencing the same page, did you provide MIT with any concessions, inducements or assistance to come to South Australia?

**The Hon. D.W. RIDGWAY:** No. I might add, I just built a relationship with them and they came.

**The Hon. Z.L. BETTISON:** They are not receiving any subsidised rental at Lot Fourteen?

**The Hon. D.W. RIDGWAY:** I am not sure of the actual rental. I do not believe they are. They have BankSA, Westpac and Optus as industry partners. I do not believe they are getting any, but I will double-check that for you.

**The Hon. Z.L. BETTISON:** You will take that on notice?

**The Hon. D.W. RIDGWAY:** I will take that on notice. The relationship was around, 'We have a great state. You come and have a look.' They came and are here.

**The Hon. Z.L. BETTISON:** You provide ambition for all shadow ministers, minister.

**The Hon. D.W. RIDGWAY:** Absolutely. DSpark is also one of their industry partners.

**The Hon. Z.L. BETTISON:** Can I move to Budget Paper 4, Volume 4, page 128.

**The Hon. D.W. RIDGWAY:** Hang on just for a moment. Optus is contributing, as one of the industry partners, to the rent and the office accommodation.

**The Hon. Z.L. BETTISON:** But can you take that on notice and detail—

**The Hon. D.W. RIDGWAY:** If there is any change from Optus, we will provide you with an answer.

**The Hon. Z.L. BETTISON:** Your ministerial office has had a budget increase of \$45,000 compared with the previous financial year. What was the increased budget for?

**The Hon. D.W. RIDGWAY:** We will get the paper from the actual advice, but I suspect it is just ongoing small salary increases across the team. I do not think there is any particular project that we are looking to fund from my ministerial office. We do not have any details. I will take that on notice.

**The Hon. Z.L. BETTISON:** Obviously, your department has had enormous cuts made to it. Since I have been in opposition, since you have been minister, we have had tumultuous changes. It is completely different. Do you think it is actually appropriate for your own office to have an increased budget while you are losing more than \$26 million out of your department?

**The Hon. D.W. RIDGWAY:** As I said, I will take that on notice. Some of that \$26 million, of course, is for programs and projects that have come to the end of the program. So I think it is not just an ongoing recurrent cut of \$26 million. We will take that on notice as to why there is an increase. I suspect it is most likely just operational costs that have gone up.

**The Hon. Z.L. BETTISON:** Obviously, you have had some change of staffing. How do you measure your officers' performance?

**The Hon. D.W. RIDGWAY:** That is an internal office measure for me. I am not sure that there is a budget line that says how do I measure my officers' performance. I do not believe there is a budget line for that and I do not believe I need to respond to you on how I measure my officers' performance.

**The Hon. Z.L. BETTISON:** I refer to Budget Paper 4, Volume 4, page 131, looking at the investing expenditure summary. Was the \$232,000 office refurbishment in 2018-19 for a DTTI office or was it for the minister's office?

**The Hon. D.W. RIDGWAY:** That was for my office. As you would be aware, I came into the office after the election. It was the office that your good friend Martin Hamilton-Smith, as minister, had been in—and obviously a close friend of Mr Hughes and Mr Odenwalder. It was interesting. The minister was minister for trade and investment, and I was amazed at the state the office was in:

paintwork chipped, carpet stained, holes in the wall even. It was. I have known Martin Hamilton-Smith, I have been to his house and it is always pretty good.

**Mr CREGAN:** It's immaculate.

**The Hon. D.W. RIDGWAY:** It's pretty good, yes. So I was just surprised—I was very surprised at the state of it.

Of course, I am two floors below the Premier. I meet regularly with ambassadors, consul generals and a whole range of people. So we managed it within the existing budget. We thought, 'We need to freshen this up.' So there was new carpet and some paint. We took a wall out of the boardroom because the boardroom had no actual outside windows. You would have a boardroom meeting and there was no light coming in—there was a little bit of light out of one window—so we have opened it up.

It was done within the existing resources and we had some artwork. We got the Tourism Commission to provide us with some photographs—that is probably not the technical term for them—the whole-of-wall ones. The one in my boardroom is of Dolphin Beach on Yorke Peninsula. Everybody who comes in asks me where it is and how to get there, whether they are the US ambassador or the New Zealand ambassador. Next Monday, I am meeting the Malaysian trade minister. I guarantee he will say, 'Where is that?'

I want to showcase our great state and we took the opportunity to do that. But I was surprised at how scruffy it looked. Even the tiles on the floor of the disabled toilet were falling off and had to be repaired. The lift doors were all chipped and the surrounds around the lift doors. It was quite amazing, the poor state it was in, given it was in the same building as the Premier and given he was the minister for trade and investment. We had torn furnishings—some of the chairs were torn—so we have refreshed it and, as I said, everybody who comes to that office comments on it.

**The Hon. Z.L. BETTISON:** Minister, would you take on notice to detail the expenditure out of the \$232,000?

**The Hon. D.W. RIDGWAY:** Yes, sure.

**The Hon. Z.L. BETTISON:** Why is there not any investment activity budgeted for new trade offices in 2019-20?

**The Hon. D.W. RIDGWAY:** Why is there not any investment?

**The Hon. Z.L. BETTISON:** Investment activity budgeted, looking at page 131.

**The Hon. D.W. RIDGWAY:** I expect that it is because—

**The Hon. Z.L. BETTISON:** You did have a budget in 2018-19, but there is no budget for 2019-20.

**The Hon. D.W. RIDGWAY:** I think what it is, shadow minister, is that each trade office in the election commitment has a budget of its own. We do some refits within Austrade, but it is not a capital investment on its own. It comes out of the actual trade office budget itself.

**The Hon. Z.L. BETTISON:** Do you intend to open the remaining trade offices?

**The Hon. D.W. RIDGWAY:** Do I intend to? Yes. It was an election commitment.

**The Hon. Z.L. BETTISON:** When will they open?

**The Hon. D.W. RIDGWAY:** As I said earlier in my contribution, we are close to finalising some dates and locations. Clearly, Dubai and Kuala Lumpur are self-nominated as the cities and locations, and, of course, the US. We are partnering with Austrade, and there is a whole range of Austrade offices all over the US. So we are just going through a process of working out which is the best one for us to fit with and how we can leverage the best benefit.

In 2019, we would expect to probably open Dubai, and that is in the next six months. Whether it is this year or early next year will just depend on the US location and Austrade's capacity. I would say Kuala Lumpur would be some time next year. Dubai is one where we are keen to get into the market quickly. As you would be aware, shadow minister, next year Dubai hosts the 2020 expo. It is

the advice from the team here that we should get into that market sooner rather than later and establish a little bit of a presence. We have not been there for some time. I think Nick Alister-Jones was there when I was first in opposition and I met with him on a couple of occasions over there.

I think it is important that we actually open that one sooner rather than later for the expo reasons. Austrade cover all of Africa from Dubai and we are getting increasing numbers of international students from Mauritius and Madagascar and some of those places. Also, we will be able to do some work back into India and some of those parts because we are not, at this point, planning on opening an office in India, it is more—

**The Hon. Z.L. BETTISON:** So no office in India at this point?

**The Hon. D.W. RIDGWAY:** In the foreseeable future. It may be something we look at. We have an election commitment of five offices and so we will fulfil our election commitment and then make an assessment as to whether there are other parts of the world we need to have a presence in. We do retain the office embedded in Austrade in Mumbai. Mr Rahul Ranjun is currently in that role and he will be operating under the director from Dubai. I suspect, in the longer term, Sally Townsend might try to recruit somebody to have in Seoul. That is the most likely time frame: Dubai, then probably the US, and then Kuala Lumpur.

**The Hon. Z.L. BETTISON:** What is our budget for the world expo in Dubai?

**The Hon. D.W. RIDGWAY:** The federal government has quite a significant budget for it. Given it is in the next financial year, we have sort of talked about our involvement but the federal government, I think, has quite a substantial investment there. We have a trade and tourism ministers meeting coming up in October. I am sure that is when it will be on the agenda to have a discussion around what the federal government sees as a part of our partnering—

**The Hon. Z.L. BETTISON:** But there would be an expectation that we would put in a certain amount of budget because that is what has happened in the past?

**The Hon. D.W. RIDGWAY:** The federal government is working with the department on what they would like to see from us. It is one of those projects where we all have to pay our way, but the feds are very keen to have a strong presence there, so I know they have made a long-term commitment, and then we will have those negotiations with the federal government as to how much it costs us, what do we get for our money—

**The Hon. Z.L. BETTISON:** What is your expectation about our investment costs?

**The Hon. D.W. RIDGWAY:** I think it is an important part of the world and given that the world expo only happens every five years, to have a presence there I think it is great that the federal government has done that. I do not have any sort of line of sight of the amount of money that we are going to need to spend. We have not had those discussions. I have not raised it, other than just broadly that, yes, we will be there with minister Birmingham or even minister Ciobo prior to that. It was like, 'We are going to do it. We will give you more details.' My advice is that those negotiations are now starting to take place.

**The CHAIR:** The member for Finnis has the call.

**Mr BASHAM:** I refer to Budget Paper 4, Volume 4, page 134, performance indicators. Following on some questioning from the member for Ramsay earlier, can the minister share the outcomes of the past year's investment into the international education sector?

**The Hon. D.W. RIDGWAY:** I thank the honourable member for his question and his ongoing interest in international education. It is interesting to note that yesterday there was a \$5 million investment to attract international students to Victor Harbor. It demonstrates firsthand that the education industry is driving growth throughout all of South Australia; it is not just in and around the CBD when it comes to student accommodation and the activities here.

I think we have had some exceptional results in the past year. Since day one, we have invested more money in international education than the ever before and made the key strategic decision to drive more international enrolments into our great state. The international education sector is South Australia's largest export behind wine, with \$1.8 billion being generated by almost

37,900 students in 2018. I think international education was hoping to jump ahead of wine but, of course, wine has had a nice surge so they are still going to be playing second fiddle.

As I mentioned in my opening statement, it is well above our target of \$1.55 billion for 2018. It is also really interesting to note that South Australia's year-to-date enrolments to March have increased by 11.4 per cent when compared with the same time last year, and that figure is 30,400 enrolments for the first three months of the year.

I think the other really important thing is that the national growth rate for the same time was 11.1 per cent, so this was the first time since 2011—eight years—that we have been ahead of the national growth. I think it is important to note that because it was a sector we felt was somewhat neglected by the former government. We have a strong policy to invest and, of course, we have the four-year post-study work rights visas, and I am sure we are going to see that figure grow.

We increased the funding to StudyAdelaide to \$2.5 million and that has been particularly well received. StudyAdelaide has a student ambassador program that selects outstanding students from key markets to share Adelaide as a high-quality destination through their eyes, and 16 ambassadors were appointed in 2018, up from two. I repeat that: 16 in 2018 and only two in 2017.

Also, StudyAdelaide has strengthened our state interaction with overseas agents, with bigger and better familiarisation tours fulfilling another election commitment. Our most recent tour earlier this year, saw 87 influential agents and representatives from over 20 countries come and gain firsthand knowledge of living and studying in South Australia.

In my department, Migration SA also secured favourable changes, as I said, to the commonwealth policy for international students to get an additional year of post-study work rights as well as changing the criteria to encourage more students to stay in South Australia. These visa measures provide our education institutions with additional recruitment tools, fundamentally improving our recruitment position to prospective international students into the future.

Throughout the past year, I have been working very closely with the international education industry through a thing we call MACIE, the Ministerial Advisory Committee for International Education. Despite these great outcomes we have had, we know there is a lot more to do. As part of the growth agenda, my department has been working with the sector on an industry-led international education plan to 2030. This process has developed new ambitious targets and an overarching strategy not just to increase student numbers but also to direct and indirect contributions that international education makes economic growth.

The Marshall Liberal government welcomes international students to our state and the investment sector, and will continue to acknowledge the benefits. As I said earlier, every four students creates one job, and a student spends around \$46,000 when they are here, and we see investment, so it is an important part of our story going forward and we continue to invest in it.

**The Hon. Z.L. BETTISON:** Budget Paper 4, Volume 4 page 131: all your proposed trade offices, are they going to be embedded in Austrade?

**The Hon. D.W. RIDGWAY:** Certainly a part of the Joyce review recommendations was that that made somewhat sense. As I said earlier in a contribution, where Austrade has an office, a bit like the Australia House model, there are some benefits, especially when you have consular issues, visas and migration. If you are in the same building as a team of federal departmental people, it makes that a little bit easier. We looked at that opportunity, and Joyce thinks that is a sensible way to go.

I mentioned earlier the great relationship I have with the current federal minister, who happens to be our local South Australian senator, and Stephanie Faye, in her role as chief executive, They are very focused on the Australia House model. It just makes sense. It works really well in London. I am sure you have been to the Agent-General's office, and that works really well there.

I notice that in the Japan office, the New South Wales team are there—the team being one person, I think, like we have—and they said there are so many opportunities where they can actually, if you like, cross-collaborate together. So I think when they are in Austrade, there is less of this silo mentality. We are a small state. We are not New South Wales, Victoria or Queensland. They have

much bigger budgets. Victoria has a significant network of people in offices globally but I think they are starting to review that, too.

Our intention is to have people in to partner with Austrade where it is possible. If there is a market, ultimately we might decide that we cannot do it and we want to stand alone. I have also said to existing team members that, if they thought there was a better opportunity and a better way to get better value for South Australian taxpayer dollars and grow our exports more quickly, we would be happy to look at that, but right now we favour the Austrade model and the Australia House model.

**The Hon. Z.L. BETTISON:** But, minister, do you agree that your election proposal and commitment to standalone offices was far too expensive and way over the top?

**The Hon. D.W. RIDGWAY:** I do not necessarily say that it was far too expensive and way over the top, but in the end, we have made a commitment to open five new offices around the world. Again, it is about delivering value for South Australian taxpayers. We have two in place. We have another three to open. They will provide our exporters with first-class service. My view is that a responsible government will make decisions that are in the best interests of South Australian taxpayers. We do want to make sure we get those offices open and operating. I think the Austrade model works well. Following all of the election and the Joyce review, he recommended that we try to partner with Austrade, so we do not shy away from that.

**The Hon. Z.L. BETTISON:** Budget Paper 4, Volume 4, page 131: what particular unit within DTTI will assume the functions that Brand SA once operated?

**The Hon. D.W. RIDGWAY:** It is going to be a different approach. We have a state promotions team. I think there is already an advertisement out for a state promotions director. Some of the work that Brand SA has been doing is gone—I think the regional awards, Hello from SA, Solstice Media has picked up. I know there is some discussions around I Choose SA with some other private industry sectors that want to make that work. We will manage the brand. So we have a state promotions unit and an executive position that is vacant, but we are recruiting for that position now.

Of course, we are managing the brand. In the first month, I think we have had 47 applications to use the state brand and 42 applications for I Choose SA. I know Glam Adelaide is doing some of the functions and the networking events, which is exactly what the Premier's understanding was. He wanted the private sector to step up to try to do some of this work. Also, Joyce recommended us to have a much more outwardly-focused look at marketing South Australia. That is our goal, and we will be working hard to promote our great state interstate and overseas.

**The Hon. Z.L. BETTISON:** There is no doubt at all that Brand SA is very, very popular. I have to say that I am very pleased that you have continued the I Choose SA program. I had many people reach out to me about concerns that that would not continue. How many staff and what budget will be given to the promotions area?

**The Hon. D.W. RIDGWAY:** We are in the process of establishing that. When we talk about the brand, I know that props are not allowed in normal question time, but I will just hold this up. As the honourable member can see, I am absolutely invested in the state brand. From day one I have made sure my business card demonstrated the brand and the logo.

**The Hon. Z.L. BETTISON:** Minister, I do not doubt your support for the state brand. I think this was not your decision.

**The Hon. D.W. RIDGWAY:** Certainly, we are working through that and the opportunities. Again, as the dust settles, they are looking at taking on some of the activities of Brand SA that add value to businesses. In some of the industry sectors, as mentioned earlier, Glam Adelaide are doing some of the networking function activity. Solstice Media are doing the awards and the Hello from SA work. We have the South Australian Club. I think it is early days for this to unfold, but I expect that the consumers will not see much different, and businesses will still get the support of government. As you can see, we are invested in the state brand. I promote it every day I hand out a business card.

**The Hon. Z.L. BETTISON:** Minister, will you take on notice my request about staffing and budget given to this unit and perhaps come back to me in six weeks to respond?

**The Hon. D.W. RIDGWAY:** Yes.

**The Hon. Z.L. BETTISON:** Were you provided—

**The Hon. D.W. RIDGWAY:** Can I just add, for the new executive, who starts in 20 days, it certainly will be one of the things that is early on her agenda. I know that the time frames are six weeks. She has three weeks before she is here. You may get a response that there is no answer at that point, because it really is something that we want the new chief executive—but we have a state promotions unit, and we are out recruiting for a head of state promotion. So there are activities underway. We might be able to give you some preliminary advice, and then, once the final decisions are made—

**The Hon. Z.L. BETTISON:** We obviously do not want too much lag time, because it is so important—

**The Hon. D.W. RIDGWAY:** No, but I am keen to provide you with accurate information. I suspect it may be a little unrealistic to say to the chief executive, 'You have three weeks to finalise all of this and get an answer to the shadow minister.' As hardworking as you are, maybe what we can do is give you some interim advice and then maybe follow-up or give you a briefing at some point.

**The Hon. Z.L. BETTISON:** Minister, were you provided with any modelling, briefings or advice from any South Australian government department about the cost implications of DTTI taking on any of the Brand SA activities?

**The CHAIR:** Member for Ramsay, what page are you on for this?

**The Hon. Z.L. BETTISON:** It is very clear that you have Brand SA now—

**The CHAIR:** I was just asking, for my benefit, which page you are on.

**The Hon. Z.L. BETTISON:** Page 131. Minister, were you provided with any modelling from any other South Australian government department about the costs?

**The Hon. D.W. RIDGWAY:** Of what?

**The Hon. Z.L. BETTISON:** Of running these elements of Brand SA that will now be SA promotions or promotions SA.

**The Hon. D.W. RIDGWAY:** All we have, if you look at the Joyce review, is a responsibility for marketing and promoting South Australia. We did not take on Brand SA; Brand SA has ceased to be. Some of the activities have gone to other parts of the community and other parts of the private sector. What we will be doing is looking how we market South Australia interstate and overseas, because the Premier felt that Brand SA did not do that work. This is an opportunity to do it differently, and we are working our way through that.

**The Hon. Z.L. BETTISON:** Perhaps I could be more specific. Obviously, the role of supporting the state brand logo is a key part of it. Was there modelling done, that you received, about how much that would cost to do if you did it in-house? If we just focus on the state brand and logo, which is a key part of that work, did you get any modelling from any South Australian government department about the cost of doing that?

**The Hon. D.W. RIDGWAY:** I will take that on notice.

**The Hon. Z.L. BETTISON:** Okay.

**Mr ODENWALDER:** I have some omnibus questions:

1. For each department and agency reporting to the minister:
  - What is the actual FTE count at 30 June 2019 and the projected actual FTE count for each year of the forward estimates?
  - What is the total employment cost for each year of the forward estimates?

- What is the notional FTE job reduction target that has been agreed with Treasury for each year of the forward estimates?
- Does the agency or department expect to meet the target in each year of the forward estimates?
- How many TVSPs are estimated to be required to meet FTE reductions over the forward estimates?

2. Between 1 July 2018 and 30 June 2019, 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 has either (1) been abolished and (2) which has been created.

3. Will the minister provide a detailed breakdown of expenditure on consultants and contractors above \$10,000 between 1 July 2018 and 30 June 2019 for all departments and agencies reporting to the minister, listing:

- the name of the consultant, contractor or service supplier;
- cost;
- work undertaken;
- reason for engaging the contractor, and
- method of appointment?

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

- How many FTEs were employed to provide communication and promotion activities in 2018-19 and what was their employment expense?
- How many FTEs are budgeted to provide communication and promotion activities in 2019-20, 2020-21, 2021-22 and 2022-23 and what is their estimated employment expense?
- The total cost of government-paid advertising, including campaigns, across all mediums in 2018-19 and budgeted cost for 2019-20.

5. For each department and agency reporting to the minister, please provide a full itemised breakdown of attraction and retention allowances as well as non-salary benefits paid to public servants and contracts between 1 July 2018 and 30 June 2019.

6. What is the title and total employment cost of each individual staff member in the minister's office as at 30 June 2019, including all departmental employees seconded to ministerial offices?

7. For each department and agency reporting to the minister, could you detail:

- (a) How much was spent on targeted voluntary separation packages in 2018-19?
- (b) What department funded these TVSPs? (except for DTF Estimates)
- (c) What number of TVSPs were funded?

(d) What is the budget for targeted voluntary separation packages for financial years included in the forward estimates (by year), and how are these packages funded?

(e) What is the breakdown per agency/branch of targeted voluntary separation packages for financial years included in the forward estimates (by year) by FTEs?

8. For each department and agency reporting to the minister, how many executive terminations have occurred since 1 July 2018 and what is the value of executive termination payments made?

9. For each department and agency reporting to the minister, what new executive appointments have been made since 1 July 2018, and what is the annual salary, and total employment cost for each position?

10. For each department and agency reporting to the minister, how many employees have been declared excess, how long has each employee been declared excess, and what is the salary of each excess employee?

11. In the 2018-19 financial year, for all departments and agencies reporting to the minister, what underspending on operating programs (1) was and (2) was not approved by cabinet for carryover expenditure in 2019-20?

12. In the 2018-19 financial year, for all departments and agencies reporting to the minister, what underspending on investing or capital projects or programs (1) was and (2) was not approved by cabinet for carryover expenditure in 2019-20? How was much sought and how much was approved?

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

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

14. For the period of 1 July 2018 to 30 June 2019, provide a breakdown of all grants paid by the department/agency that report to the minister, including when the payment was made to the recipient, and when the grant agreement was signed by both parties.

15. For each year of the forward estimates, please provide the name and budgeted expenditure across the 2019-20, 2020-21, 2021-22 and 2022-23 financial years for each individual investing expenditure project administered by or on behalf of all departments and agencies reporting to the minister.

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

17. For each department and agency reporting to the minister, what is the total cost of machinery of government changes since 1 July 2018 and please provide a breakdown of those costs?

18. For each department and agency reporting to the minister, what new sections of your department or agency have been established since 1 July 2018 and what is their purpose?

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

- What savings targets have been set for each year of the forward estimates?
- What measures are you implementing to meet your savings target?
- What is the estimated FTE impact of these measures?

**The Hon. Z.L. BETTISON:** Budget Paper 5, page 89: how many companies has the South Australian Landing Pad attracted to date?

**The Hon. D.W. RIDGWAY:** There has been strong interest. I do not have the exact number with me. I will take that on notice. The advice I have had is across a number of different sectors as well, so that is quite a good opportunity. I think I explained earlier it is for companies that already exist; they have actually had to be in operation for 12 months prior, so it is not a venture capital thing. It is not a start-up; it is actually an existing company.

In the opportunity I had to go to Hannover Messe, we had a meeting with a number of the companies who are in the supply chain for the offshore patrol vessels—smaller companies in Germany. This is a perfect thing. They think, 'Well, we've got a deal with and a contract for defence. We'd like to do something in the civil space.' They were quite interested in the opportunities. That is a few years away, the offshore patrol vessels, but they are looking at how they might be able to come and get a foothold in the South Australian market.

It was only launched on 1 July. I think there is maybe only four at this stage, but it is only, what is it, the 30<sup>th</sup> today. That is not bad; that is one a week. So there have been applicants, and there is quite a lot of strong interest, but we will get the more accurate details for you. It is certainly about supporting companies that have got a little track record and that are uncertain about how to get into the market. We think it is a good initiative.

**The Hon. Z.L. BETTISON:** Why is there no matched funding required to receive a Landing Pad grant?

**The Hon. D.W. RIDGWAY:** We wanted to say to companies that we are open for business. There is a whole range of new things and I think the guidelines are up on the website. We do not cover everything so they will have some costs that they will have to pay for themselves. There are two components to it: there is some for accommodation and some for advice. They are the two components in it. All of the details of the guidelines and conditions are on the website. We expect that they will have to put some money in but really we want to say to businesses, 'We are open for business.'

If you are a young business, or even an existing business like some of the ones I met with in Germany, which would probably fit more with the defence Landing Pad, potentially, although they do want to get into the civil space, there is an opportunity to come here. We want to say, 'We are open for business.' Naturally, they will incur costs because you could not open a business—the maximum amount of money for one company will be \$80,000. If you have some staff, rent, and all the things that you are looking at doing, you will be paying more than \$80,000 in the first year for that.

**The Hon. Z.L. BETTISON:** Given that the Landing Pad will attract foreign firms, what type of visas will be granted to the successful applicants?

**The Hon. D.W. RIDGWAY:** I suspect that will be a matter for negotiation with the federal government. Of course, we hope that some will be coming in from overseas but there is no visa provided with that program so they will still have to go through their normal application process. Clearly, the DAMAs and some of the increased occupations list with DAMAs will provide opportunities for an enhanced number of people.

We also have to remember that it is not just about overseas, it is about interstate. When Sydney house prices get to double what Brisbane's are, there is a mass exodus of people into Queensland because it is simply too expensive. I expect that we will start to see some of that, where people are wanting to move to South Australia for career opportunities but also because of those cost pressures.

**The CHAIR:** Alas, minister, the time has expired. There being no further questions, I declare the examination of proposed payments for the portfolios Department for Trade, Tourism and Investment and Health Industries SA completed.

*Sitting suspended from 10:45 to 11:00.*

## **SOUTH AUSTRALIAN TOURISM COMMISSION, \$86,193,000**

### **Membership:**

Ms Hildyard substituted for Mr Odenwalder.

**Departmental Advisers:**

Mr R. Harrex, Chief Executive Officer, South Australian Tourism Commission.

Ms H. Rasheed, General Manager, South Australian Tourism Commission.

Ms S. Rozokos, Chief Financial Officer, South Australian Tourism Commission.

Mr B. Hill, Executive Director, Marketing, South Australian Tourism Commission.

Mr N. Jones, Executive Director, Destination Development, South Australian Tourism Commission.

Mr A. Kirchner, Chief Executive Officer, Adelaide Venue Management Authority.

Ms M. Hannaford, Chief Financial Officer, Adelaide Venue Management Authority.

**The CHAIR:** I open up the South Australian Tourism Commission and Adelaide Venue Management Authority. The minister appearing is the Minister for Trade, Tourism and Investment. Estimated payments for Department for Trade, Tourism and Investment, Minister for Trade, Tourism and Investment and the SATC. I declare the proposed payments open for examination. I refer members to Agency Statements, Volume 4. Minister, if you have an opening statement feel free to make it.

**The Hon. D.W. RIDGWAY:** I do have an opening statement. Thank you for the opportunity to make some brief comments rounding out another great year for the South Australian visitor economy but, more importantly, opening to what I believe will be an even more exciting chapter. It is great to welcome the great team from the South Australian Tourism Commission, and I really do thank them for their hard work in supporting the industry and the state, as well as me as a relatively new minister. I thank them for what they have done to support the government and South Australia.

We all know that we are a particularly small state and that we need to play to our strengths. The Joyce review identified that tourism is indeed one of those strengths, and through the development of the soon-to-be-released Visitor Economy Sector Plan 2030 we now have an even better picture of what that sector could mean to the state's economy in a decade's time. In the previous session I covered off on the ambitious economic target of this government. It is a target that will be underpinned by our growth agenda, a working document that will be the cornerstone of everything we do to support our industries and to build our economy.

First, to the visitor economy. This is the core focus of the South Australian Tourism Commission and every aspect of what we do, whether it be events or marketing. It is the metric by which we measure every government investment in tourism: will it grow the visitor economy, and by how much? The reason I make this point is that our commitment to economic growth and the investment it necessitates is in the context of the state budget, which is very much under repair and which has had the significant blow of a \$2 billion in GST write down.

However, we are not a government to shy away from a challenge, but what this does mean is that we need to return to our core focus of growing our visitor economy. This has also meant some tough decisions have had to be made. The Adelaide Fashion Festival is an event that has been held in high regard by its target audience with a great industry development element, but it simply did not deliver the visitation and tourism spend that our tourism and investment needs to be driven by.

The Adelaide Motorsport Festival is a fantastic event for families and motoring enthusiasts and it certainly has some potential, but again we have had to look at it through the visitor economy lens. We hope that as it grows and as the budget improves there may be an opportunity to provide some support. The state budget this government has delivered comprises marketing, events and programs that will derive the maximum visitor economy output.

Both the current state tourism plan and the soon to be released 2030 plan galvanise marketing as the real hero in driving visitation. I am exceptionally proud of the award-winning campaigns being delivered by the SATC, which really challenge perceptions and expectations of South Australia and its wealth of tourism offerings. That is why, despite budget pressures, we have made a long-term commitment to maintaining the marketing budget through an additional \$10 million

per year over the forward estimates. The Tourism Commission is now able to move forward with the certainty of a significant base level of funding, which we will certainly look to build upon in future budgets.

We also pumped an extra \$3 million into the winter campaign, which is tracking very well. I hope to have a little opportunity to speak a bit more about that later on. Yes, we are up against it a bit with international tourism icons like the Great Barrier Reef and Uluru. We are not really an international major aviation hub, but we have some other great strengths. We need to play to them, and the great creativity of our recent campaigns is helping to cut through.

Of course, some of our events are the envy of the rest of the world. The Santos Tour Down Under, the biggest cycling event in the world outside of Europe, is I think something that we as a state should be particularly proud of. It is one of those events that has transcended both sides of government. I think it is probably the event that shares the most bipartisan support. It is fabulous to see that it is up 11 per cent from last year, with a benefit of \$70.7 million. The benefit from the Superloop Adelaide 500 went up from \$41.9 million last year to \$46 million this year, which is again a pretty good increase.

Tasting Australia drew an additional 10,000 punters along with a record 64,000 people visiting, generating nearly \$5.5 million. As I commented earlier, I think we should be particularly thankful that, when Tasting Australia was created, I cannot remember whether it was minister Hall or minister Ingerson but whichever one it was at the time chose the name Tasting Australia so that we have the rights to that name. It may have been by design, or it may just have been a fluke, but I think we should be proud of the fact that we own the title Tasting Australia. These events are almost our bread and butter, and we will continue to support and maximise the economic benefit we get from them.

We are always looking for new things and there are some good things happening. In this coming year will host the World Routes conference, which is the global airline conference, which I think will be an opportunity for us to showcase our great state to a number of potential airlines. There has been some commentary in the media recently around potential new airline partners. Next year, we have the NRL State of Origin, the Olympic swimming trials and, a sport close to my heart, the men's and women's T20 Cricket World Cup. That will be something to look forward to.

We have expanded our bid fund, so we have been able to lock away some other exciting new instalments on the events calendar, including the 2019 Australian Open Water Swimming Championships, three rounds of the Asian Le Mans Series from 2020 to 2022 at The Bend Motorsport Park and also the ATP and Women's Tennis Association internationals to be held at the soon to be freshened up and redeveloped Memorial Drive. I think bringing world-class tennis back to South Australia will be something that the community will love, but it also helps put South Australia back on the map.

Besides leisure events, there have also been several business events secured. What is fantastic is that the government's move to expand this fund to regional events has activated regional venues and taken business tourism dollars outside the city. We know that regional events are an excellent way to disperse visitors from the city and to keep them in our beautiful regions for a few extra days. The government remains committed to the Regional Events and Festivals fund, which has supported some really fantastic new and exciting events.

The great work that is being done to promote and showcase our state and activate the city and regions with events is being validated by private investment. I have been heartened by the demonstration of investor confidence in our tourism sector as our accommodation pipeline strengthens. Major international brands have been announced, including the Westin Hotel, the Sofitel, the Crowne Plaza and the Langham Hotel Group. These iconic international brands will increase Adelaide's international reputation and destination appeal.

There is also regional accommodation of scale in the pipeline, such as the recently announced \$40 million Wyndham Hotel at Victor Harbor. This is fantastic, particularly given our efforts to drive conferences and business events into our regions. Major investment in projects like the Monarto Zoo are very exciting and a great opportunity for both the state and federal governments

to partner on projects of scale that will be huge drawcards for interstate and international visitors alike.

This government has a vision and a plan for long-term, sustained economic growth. While short-term fluctuations in statistics cannot be ignored, they certainly should not obstruct our strategic vision. What is abundantly clear is our visitor economy is growing, we are on track to hit our target of \$8 billion by 2020 and there is huge potential for growth beyond that. We know that international visitors are taking shorter trips and visiting fewer states. In turn, smaller states like South Australia, Western Australia and Tasmania have all seen a recent decline in international visitations.

On the back of record expenditure of interstate visitors, we have recently welcomed the news that South Australia's visitor economy has hit an all-time high of \$7.2 billion. I repeat that, Mr Chairman: an all-time high of \$7.2 billion. Given that some of our members—Mr Hughes and all three of the government members—are from the regions, it is really important to note that 43¢ of every one of those dollars is being spent in South Australia's regions; so 43¢ of that \$7.2 billion. It is a great endorsement of our unique tourism assets.

The industry is echoing these results with reports of strong airline passenger loads and many operators are receiving record bookings and intense levels of visitor activity over the summer. The SATC is continuously interrogating the figures and reviewing and refocusing its strategies to suit. While I am absolutely thrilled about the \$7.2 billion, there is a lot of hard work to be done and undoubtedly there will be some short-term peaks and troughs to be navigated as we charge towards our \$8 billion target and 10,000 additional jobs for the sector.

So our government is excited about the tourism sector. We want to see our 18,000 tour operators grow and thrive. We want investment in tourism, which capitalises on the assets we already have, but also brings new products and experiences to life. Our events are delivering a greater economic benefit than ever before, and our marketing campaigns are captivating prospective travellers and convincing them to book and spend at unprecedented levels.

The upcoming 2030 sector plan, an industry-led plan—and the team from the Tourism Commission have consulted widely with industry—will officially set a 2030 target close to \$13 billion, of \$12.8 billion for the visitor economy. For that very reason, this government is unashamedly focusing its investment on activities that will grow the visitor economy in line with that target.

**The CHAIR:** If I could just add for the record: you have mentioned former minister Hall twice. Nothing was left by chance; I am sure it was by design that it was called Tasting Australia.

**The Hon. D.W. RIDGWAY:** I am sure it was.

**The Hon. Z.L. BETTISON:** I refer to Budget Paper 4, Volume 4, page 108. Will the SATC undertake any marketing activity in support of the Adelaide Oval hotel?

**The Hon. D.W. RIDGWAY:** I thank the honourable member for her question. The SATC markets South Australia as a great destination. As you have seen, they do not market particular individual hotels. Some of our regional assets may get an occasional little focus when we are focusing on a particular region. I would be pretty confident to say that there is no actual marketing for the Adelaide Oval hotel. We will go out and market South Australia and Adelaide as a world-class destination. The individual hotels then jostle for people to come and stay with them.

**The Hon. Z.L. BETTISON:** I refer to Budget Paper 4, Volume 4, page 108. How much of this funding is aimed at traditional media buying?

**The Hon. D.W. RIDGWAY:** What funding—can you be more explicit?

**The Hon. Z.L. BETTISON:** Program 3: Tourism Marketing.

**The Hon. D.W. RIDGWAY:** Can you repeat question?

**The Hon. Z.L. BETTISON:** Looking at the program of the net cost of services summary, how much of this funding is aimed at traditional media buying?

**The Hon. D.W. RIDGWAY:** I think you have to understand that traditional media is changing. The Tourism Commission is quite nimble. It always looks to get the best bang for the buck, shall we

say, so I do not think you can talk about particular traditional media. What is traditional media? Where do you get your information? There are different demographics and they get their information in different ways. I would suggest that to say, 'What do you spend on traditional media? What do you spend on digital?' is really something that we should not encumber the Tourism Commission with restrictions around them.

In the domestic marketing budget of \$11,324,000, interstate media was about \$3.3 million, intrastate was \$1.809 million and then there are the production fees. We had the oyster winter campaign on top of that again. Traditional media is to look at the modern world: my children will tell me they found something on the news and I say, 'You haven't picked up a paper and you haven't watched the TV news, so how do you know that?' Well, they got it through a different source. So I think we need to make sure that we leverage the opportunity on every possible media platform there is.

**The Hon. Z.L. BETTISON:** Minister, are you able to come back to me and provide me with information about the division of funding across the whole-of-tourism marketing—what we would call traditional media buying and digital campaigns—or the division that you call different aspects of marketing? Are you able to provide me with that breakdown?

**The Hon. D.W. RIDGWAY:** We can probably take that on notice. We live in a modern world and things will be changing. What was traditional media 10 years ago, in 10 years' time traditional media will be a mobile device and that digital activation, I suspect. We can bring that information back for you.

**The Hon. Z.L. BETTISON:** Minister, I am not arguing with you: I am just asking for a breakdown of the division. How much of this funding is used to collaborate with social media influencers?

**The Hon. D.W. RIDGWAY:** I think there are a range of campaigns in which we use social media influencers. I can, perhaps, give you some information here. The SATC is being seen nationally as an industry leader in social influencers and destination marketing. In 2018-19, the SATC social media and influencers activity drove 148,026 visitations to southaustralia.com, which is a 40 per cent increase year on year. These visits resulted in 11,643 leads to South Australian tourism businesses via their Australian Tourism Data Warehouse Listings, a 727 per cent increase year on year.

In 2018-19, the SATC also began tracking the volume of social leads generated by the SATC Instagram story activity, that is the number of people who view a South Australian tourism operator's profile due to being featured on SATC activity. Preliminary results show that 135,000 leads were sent to various local tourism operators' Instagram accounts from the SATC Instagram story activity. The SATC's Instagram stories are an effective way to show and tell the experience of tourism businesses firsthand, with the benefit of being able to track direct and measurable outcomes being featured.

The SATC social media accounts have grown from 1.796 million to 2.13 million fans, which is a 16 per cent increase in 2018-19. The SATC engage five social media influencers to assist with extending the reach and engagement of its domestic marketing brand campaigns. The feedback from South Australian tourism operators featured in this campaign has been very positive. For example, Maxwell Wines reported that the SATC activity resulted in its social account growing by 700 followers and generated several direct inquiries from businesses including from a luxury travel agent.

In June 2019, SATC won a Mumbrella award for the best social idea of the year, due to its Tell Us Where campaign, which ran in September 2018. In 2018-19, the SATC had allocated a budget of around \$316,000 for social media marketing content and creation and influencer activity. You can see that it is a reasonably cost-effective way of getting significant reach into the market.

**The Hon. Z.L. BETTISON:** How does SATC decide which Instagram models will give us the best return on investment for the South Australian taxpayer? How is that decision made?

**The Hon. D.W. RIDGWAY:** I might actually flick to Rodney to answer that, if he would like, because you and I are both hardworking politicians but we are not marketers. I think we should leave that to the experts, so I will ask Rodney to explain that. Thank you, Rodney.

**Mr HARREX:** In terms of our marketing activity, it is about the consumer; so who is our target audience, who are the consumers that we are actually trying to influence to make a decision to travel to South Australia? That is really what decides what media, whether it is traditional media, whether it is digital media, the social influencers that we target. It all comes down to who represents the best opportunity to influence consumers to make a decision to travel. It is about identifying those influencers that have the greatest impact.

**The Hon. Z.L. BETTISON:** With the actual individual influencers, is there a theme of what we look for them to be or a certain demographic? How are you making a decision about that person? For example, in the past you have chosen a very significant Chinese icon in the cinemas to be a lead person. I am just interested—I do not have a lot of knowledge of Instagram models or followers. Is there a different level that you are looking at? What are the characteristics that you are looking for in this Instagram model?

**Mr HARREX:** Again, it ultimately—

**The CHAIR:** Point of order, member for Ramsay, minister and Mr Harrex: all questions are to go through the minister, and if the minister chooses to seek advice from his advisers and provide an answer back to the committee that is how we will proceed.

**The Hon. D.W. RIDGWAY:** I probably can even answer that, and I will attempt it, and if Mr Harrex thinks I have not quite got it right—but I think it is based a lot on research as to what is our target audience. Is there a group we are missing out on? I know that there was a group of recent influencers in the 20 to 40 age group of young women.

**The Hon. Z.L. BETTISON:** Sorry, what age group?

**The Hon. D.W. RIDGWAY:** About 20 to 40, I think, in that age group. I remember, not that I want to disclose too much of my private life here, but it was always my wife who made the call as to where we went on holidays. No matter what good idea I came up with, if she did not want to go we did not go.

So I suspect that if you look at it in the context of them being a demographic of people who are usually the ones who make the decisions on where to travel, the target audience is based on research looking at how we can pitch what we have to offer, and for that demographic of both men and women who are upwardly mobile and quite happy to travel around, Adelaide for a weekend destination is a perfect place to come and enjoy a glass of wine and some food. There is a whole bunch of opportunities. I think it is based pretty much on research as to the target group that we are after.

**The Hon. Z.L. BETTISON:** Minister, have all of our Instagram models paid for by the South Australian taxpayer been women?

**The Hon. D.W. RIDGWAY:** I beg your pardon?

**The Hon. Z.L. BETTISON:** Are they all women? Are they all young women?

**The Hon. D.W. RIDGWAY:** No. It is a whole range of different people. With our touring routes, we look at families, we look at four-wheel driving. There is a whole range of experiences. So the actual activity and the choice of influencers is based on the target audience. Huang Xiamoning, the Chinese influencer, I mean, clearly he is a movie star in China. So, again, it is having somebody who is on the big screens in China saying, 'Hey, how good is Australia with the koala and the oysters,' and all the gear that he did. It is about making sure that we are continually pitching to the demographic we want to travel, whether it is mums and dads, whether it is young professionals, whether it is Chinese or other overseas people.

**The Hon. Z.L. BETTISON:** How many social media influencers were engaged to have a collaborative partnership with SATC in 2018-19, and how many are planned for 2019-20?

**The Hon. D.W. RIDGWAY:** I think I will maybe take that figure on notice. Only about 3 per cent of our media budget is spent on influencers. It is a relatively small amount, but it certainly is a growing part of the modern communication plan—influencers—and if they are talking about your product, whether it is a tourism product or some other product that a company manufactures—I

notice that R.M. Williams has Hugh Jackman now as their international ambassador. I am sure that Eddie Hughes or Adrian Pederick wears R.M. Williams but you just do not quite have the reach of Hugh Jackman.

**Mr HUGHES:** Doc Martens.

**The Hon. D.W. RIDGWAY:** Yes, Doc Martens—so it is about having the right people.

**The Hon. Z.L. BETTISON:** Minister, recently I understand there were some changes in this ever-evolving digital technology space where 'likes' were not going to be available, or follower numbers. Is that concerning to you, if that is one of the motivations of us employing or having a relationship, having a partnership with these Instagram models, that it is a constantly changing atmosphere and where we cannot tell how many likes they have any more or how many followers?

**The Hon. D.W. RIDGWAY:** I think publicly it is not available. I am probably a little more—I do not do that much on Instagram, I would have to say as well, but I still think there will be some data available but certainly the public display of that is not on the public page. We work at the front line of best practice digital marketing, especially with destination marketing within the organisation, so we are always using technology to execute digital activity that is always on capacity. So this strategy drives visitation to the consumer website SouthAustralia.com and generates leads and referrals to South Australian tourism operators and travel industry partners.

In 2018-19, SouthAustralia.com generated a record total of 661,133 leads and referrals to South Australian tourism operators through the ATDW and industry partners, which is a 53 per cent increase. South Australian tourism businesses can register their products on ATDW which allows their products to be featured on SouthAustralia.com and receive leads and referral through SATC's digital marketing activity.

The ATDW leads allow South Australian businesses to sell direct to the consumer, reducing their reliance on multinational online travel agents who charge commissions and, therefore, keeping tourism expenditure in South Australia. The use of digital marketing technology has significantly improved media efficiency with SATC's total digital media cost per lead decreasing by 44 per cent year on year, so it is becoming an increasingly sensible way to spend our money.

**The Hon. Z.L. BETTISON:** Sensible but somewhat changing on a regular basis.

**The Hon. D.W. RIDGWAY:** If you have it at \$7.2 billion—it is the first time we have ever had a seven on the figure. I congratulate the team on that. I think it is fair to say that there was a target of \$8 billion set by the former government, so I do not shy away from the fact that it was a target we inherited. Nonetheless, this is the first time we have made \$7 billion—\$7.2 billion; not just a bare \$7 billion. Clearly, the team are doing something right. If it is a changing environment and if it is new technology, Rodney and the team, and Brent, my head of marketing, do a great job to make sure that we are at the cutting edge of new technology, so I applaud them for that.

**The Hon. Z.L. BETTISON:** Moving on to Budget Paper 5, page 87, departmental efficiency measures. How will the SATC realise these cuts? What programs will be affected?

**The Hon. D.W. RIDGWAY:** As we have made very clear, we wanted to focus on continuing our investment in marketing, and clearly that is \$7.2 billion. In tough times, we had this \$2 billion writedown in GST, which I do not think anybody saw coming. It is unfortunate, but the SATC is required to find additional savings measures of \$3 million in 2019 as part of the process and ongoing over the forward estimates.

The SATC plans to achieve these saving measures by implementing a number of specific measures, such as ceasing to stage the Adelaide Fashion Festival, electing not to renew our contract with the Adelaide Motorsport Festival, although I was very pleased to read and understand recently that it will be staged at The Bend this year in the member's local electorate, which is great, because it is one of those events that I think had some potential but it was just challenging to fund it. There were some reduced marketing activities and the implementation of a number of corporate services and operational efficiencies, including some staff reductions.

The SATC is on track to achieve its current savings target of \$3.7 million for 2019-20. This includes a new savings measure of \$3 million and the pre-existing measures of \$0.7 million. The

SATC plans to achieve the pre-existing savings measures of \$0.7 million by utilising funding that was allocated to a one-off project that occurred in 2018-19 which will not continue in the next year, including the cessation of SATC's signage and wi-fi project. There are no unforeseen issues in implementing the 2019-20 savings.

**The Hon. Z.L. BETTISON:** Now that I have got this clear about this efficiency, it is actually \$12.7 million over the next four years that you will have to find. Does the government think that this is the right time to be cutting the tourism budget? This is a significant cut—\$12.7 million. You have just said that there is \$0.7 million from last year, plus \$3 million in 2019-20, \$3 million in 2020-21, \$3 million in 2021-22, and another \$3 million in 2022-23. This is significant. Is this the right time for you to have to deal with these cuts?

**The Hon. D.W. RIDGWAY:** We are confident of the investment we are making in ongoing marketing. From everything that we learned from the work that the regional chairs did with the Regional Visitor Strategy and the consultation they did, all the consultation I did with the 19 meet-the-minister meetings last year, and that Rodney and the team did with the 2030 plan, the number one aspect that the industry wants to do is continue to invest in marketing. That is why we committed that extra money across the forward estimates.

Yes, the cumulative total over the forward estimates could be as much as \$12 million, but this is because GST revenue shrunk. I am optimistic now we have some certainty in the federal government—naturally, I am delighted the team I support won—and the fact that there was at least a strong decision at the federal government level. That will alleviate some of the uncertainty in the national economy. I will be very surprised to see if the GST does not somewhat improve the \$2 billion over the forward estimates. I will certainly be going into bat to say that tourism is something we need to continue to invest more in, not less in, but right at the moment we have to deal with the circumstances that are confronting us.

**The Hon. Z.L. BETTISON:** Minister, with the best endeavours, I hope that the \$12.7 million in cuts do not have to be realised.

**The Hon. D.W. RIDGWAY:** I think it is important, shadow minister, to look at the \$7.2 billion. In any of the changes in the budget last year, we have been able to continue to grow the visitor economy. I think it is a credit to the team that we have gone through some difficult decisions but we are still on track to get to \$8 billion.

**The Hon. Z.L. BETTISON:** That \$11 million taken out previously was tough. One of the things I want to clarify is from the same budget paper: Budget Paper 5, page 87. We have seen a commitment from you to not cut marketing funding over the forward estimates. Is that commitment correct, that marketing will not be cut over the forward estimates?

**The Hon. D.W. RIDGWAY:** Can you repeat the question, especially the—

**The Hon. Z.L. BETTISON:** You made an announcement that you will continue the additional marketing for \$10 million a year over the forward estimates. Is that a commitment that marketing will not be cut?

**The Hon. D.W. RIDGWAY:** That initial \$10 million was some money, I think, that the former government had provided extra, but it was not funded across the forward estimates. So when we got to the election, there was funding for one more year.

**The Hon. Z.L. BETTISON:** It was funded for 2019-20.

**The Hon. D.W. RIDGWAY:** It was funded for one more year in the previous budget, and then we said, 'Right, this is important. Let's give the sector some certainty that that extra \$10 million is there over the forward estimates, for the next four years.' So that commitment is there. Of course, we have had the winter campaign that has been funded through the Economic and Business Growth Fund. I think that has provided some very good responses. I would be very confident that government will look favourably upon some other programs as well. It makes sense: if we get a good return on our investment, we will do it.

What we wanted to do was send a message to the industry that, despite the \$2 billion writedown in GST and tough times, we are committed to, if you like, the base funding of marketing

over the forward estimates. When the budget improves, there will be opportunities to try to invest more money in marketing. A lot of these people in the 18,000 businesses are the mums and dads of this sector. Many of them are not big international corporate players, they are people who work seven days a week and invest in growing their business, cellar door, hotel or restaurant. They need to know that the government has a level of base funding and marketing that will carry right through over the forward estimates.

I think it is only fair to the sector. We want them to do the heavy lifting of \$8 billion by 2020 and \$12.8 billion by 2030, so we need to show some commitment. So that is what I mean when I say that we are not going to be cutting it. That is the base, and we are all optimistic that the GST will rebound somewhat.

**The Hon. Z.L. BETTISON:** Will funding for the winter rewards campaign continue?

**The Hon. D.W. RIDGWAY:** One of the great things about this program and this little event that the SATC put up is that it gives us a chance to measure it. Often, in these things, we need \$10 million or \$20 million for marketing, and it is hard to measure it. This one has all the data around the winter campaign, and I have some information here that I might share with you. It is being measured, and that is a great opportunity for the government to actually have a look at our investment of \$3 million and what it might get.

We launched a domestic winter campaign to highlight South Australia as a winter destination, showcasing a range of tourism products that are perfect to experience during our cooler months. The campaign activity includes television commercials as well as outdoor and digital advertising and utilises content from the 'five days of wonder' film shoot, which occurred last August. The marketing campaign has achieved the following results during the period from 8 March to 17 July (so this information is a fortnight old now):

- 1,711,382 visits to southaustralia.com by Australians, which is a 73 per cent increase.
- 285,229 Australian Tourism Data Warehouse leads, which is a 177 per cent increase, year-on-year.
- 14,583 travel partners leads to organisations such as the RAA, SeaLink and Discover Australia Holidays. That is 10 times the size of last year's numbers.
- A 25 per cent growth, year-on-year, for some key partners, including Accor. There were 3,814 hotel rooms booked during the campaign.
- All-time booking records for the Hahndorf Resort.
- Airline partners are experiencing a between 19 per cent and 45 per cent growth in the Melbourne to Adelaide route and the Brisbane to Adelaide route, respectively.

In June 2019, to align with and support the campaign, the SATC—I will continue with this for you because I think it adds some value to your questions about influencers—engaged 10 of Australia's top influencers in key winter regions. The campaign was utilised to drive consumer awareness around winter in South Australia, specifically targeting eastern seaboard females aged between 20 and 44 who typically consume media via social channels. The winter influencer campaign expects to achieve a more than 5.7 million audience reach and more than 7 million impressions.

So you can see that there are some particular benefits in that campaign. I could use more time and read another page, but I will not do that because I think you have got the picture that it has been particularly effective. I think once the campaign is wrapped up, we will get a report from the SATC as to the actual effectiveness. I think it is the first time we have run a really dedicated winter campaign. I think Darwin might do one, but it is a totally different market. So, yes, it has been, so far, pretty successful.

**The CHAIR:** The member for Kavel is seeking the call.

**Mr CREGAN:** Can I take the minister to Budget Paper 4, Volume 4, page 117, domestic marketing, and we have touched on some of these matters. Can the minister provide an update on how domestic marketing activity has influenced South Australia's visitor numbers in recent years?

**The Hon. D.W. RIDGWAY:** Of course. I am very happy. I thank the honourable member for his ongoing interest in the tourism sector. He represents the Adelaide Hills, one of our great destinations. The Marshall Liberal government welcomed the March 2019 National Visitor Survey, which confirms that the tourism industry continues to grow. Expenditure, as I said earlier, has now reached \$7.2 billion, which is above the required waypoint of \$7.1 billion, so we are \$100 million above the target to achieve our \$8 billion by 2020.

Both interstate and intrastate expenditure has expanded strongly and reached record highs. Interstate alone is up by 23 per cent to a record high of \$2.5 billion, which is well ahead of the national average. In terms of interstate and overnight visitors, there was a 15 per cent increase to \$2.8 billion, driven largely by Queensland, Western Australia and Victoria. It is fantastic to see particularly the Eastern States, who are tough competition in the international market, themselves paying more attention to South Australia as a destination. We are now tracking beyond the waypoint of \$2.3 billion for interstate visitors.

For the first time, South Australia reached the number one spot as the state associated with good food and wine, at 57 per cent, overtaking Victoria for the first time at 56 per cent. I think that is a real credit to our food producers. We have obviously had the number one wine destination, but I think the fact that we have now done this underscores our credentials as a food and wine destination, with South Australia leading the nation in the association, with our incredible wineries and great wine regions and with the latest results showing 70 per cent of people from outside of South Australia agreeing with the statement, well above our nearest rival, at 45 per cent.

With wine continuing to be one of our great exports, our wineries are one of the strongest attractants to our regions. Looking at the combined national and international statistics, there has been strong growth in regional South Australia, up 15 per cent to \$3.1 billion, and the domestic component is now at \$2.9 billion. In fact, the overall domestic growth has been driven by expenditure in regional South Australia. As I said earlier, 43¢ of every tourism dollar generated in this state is spent in our region, which again, I think, is really a particular thrill for me.

It is about where jobs are created. As I think we have learnt, regional tourism is one of the few industries left in regional South Australia that is labour-intensive. Every other industry, whether it is mining, farming, manufacturing, fishing—it does not matter what it is—uses more and more technology and more and more machinery; they have to be efficient.

But hospitality and tourism is the one that is continually seen as being labour-intensive and a way to almost, if you like, underpin some of our regional communities. People work there, the kids are at school, they play in the footy team; they make everything more viable. So I think the value of tourism, while it is fantastic to have the 43¢ it is actually the people who live there that add to the vibrancy of our communities.

The latest data shows that tourism reached a record high for a wide range of measures: overall expenditure and visitors; interstate overnight expenditure and visits and nights; intrastate overnight expenditure and visits, but not nights; overall number of day trips in South Australia, but not expenditure on those trips (that record was in 2018); overall expenditure and visits to Adelaide; and overall expenditure and visits and nights to our regions.

Industry have supported these results, as I said, with strong airline passenger loads and many operators receiving record bookings and visitor activity over the summer. This wonderful growth has been underpinned by SATC's award-winning campaigns targeting these consumers, with significant activity coinciding with those campaigns. The work has been largely focused on confirming potential leads to southaustralia.com to actual bookings.

I know this is repeating some of the stats but I think it is important to repeat them: to March 2019 the leads from southaustralia.com through to the South Australian tourism operators grew 113 per cent from 233,000 to 495,000. The member for Kavel will also be pleased to note that the Adelaide Hills currently welcomes some 179,000 overnight visitors to the region, and these visitors stayed a number of 704 nights, spending \$66 million in his region.

**Mr CREGAN:** Very welcome.

**The Hon. D.W. RIDGWAY:** On top of this, the region has 66,000 domestic daytrippers who spend \$89 million in the region. Due to its close proximity to Adelaide and the Adelaide Hills it welcomes over 170,000 international daytrip visitors each year. So, while the news on the numbers is positive, the government recognises that there is still a great deal of work to be done to move towards the \$8 billion target by 2020. As I said, we will soon be releasing the 2030 plan and we look forward to it. As I said, it is an industry plan with industry support and we look forward to the ongoing focus on growing our visitor economy.

**The Hon. Z.L. BETTISON:** Budget Paper 4, Volume 4, page 108, looking at the program net cost of services summary: can you confirm that total funding for regional cooperative marketing and local contact officers for regional tourism organisations will be funded over the forward estimates?

**The Hon. D.W. RIDGWAY:** I think I was asked some questions the other day and there was some confusion in the Legislative Council in relation to that. We provide funding to each of the 11 tourism organisations as a contribution towards employment of a local contact person responsible for providing a range of services. These services includes PR and familiarisation supports, communication to the industry, providing advice to regional operators and the SATC for its work on behalf of the regions, and identifying and implementing projects agreed of a strategic significance.

The SATC hosts a range of meetings for the regional tourism chairs forum and with regional tourism managers. The communication is vital to ensure the close cooperation to achieve strategic outcomes for regional South Australia. The SATC provided funding to each of those regions and has been committed to it for the three years 2017 through to 2020, and is indexed to CPI. In 2018-19 the SATC provided \$46,818 in funding to reach regional tourism organisation, and in 2019-20 the SATC will provide each regional tourism organisation with \$47,988.

You can see that that is funded across for this year and we will continue to invest in the regions. I do not see any reason why we would not continue to fund it, but we have to make sure that we are continually getting the right activities. It works really well and I cannot see any reason why we would not be funding it across the forward estimates. The regional consumer marketing fund I think in 2019-20 is about \$220,000 and it has worked well and we will continue to fund it.

**The Hon. Z.L. BETTISON:** I have to say that that is quite disappointing because today I was hoping that you would confirm that across the forward—

**Mr CREGAN:** Point of order, Mr Chair.

**The CHAIR:** Yes, member for Kavel.

**Mr CREGAN:** Standing order 109, no argument in questions.

**The CHAIR:** Indeed. I will uphold that point of order.

**The Hon. Z.L. BETTISON:** I am sorry, I did not hear the point of order.

**The CHAIR:** The point of order was debate.

**The Hon. Z.L. BETTISON:** I will reiterate my question. Can I clarify, as per the answer that you gave, that you cannot commit at this point to fund over the forward estimates, as articulated in the budget, the funding for regional tourism organisations?

**The Hon. D.W. RIDGWAY:** I think the honourable member needs to understand that we funded them this year and, as I said in my response, I cannot see any reason why we would not fund them across the forward estimates. They provide a great network and I have huge respect for the work that they do and I could not see a set of circumstances where we would not be funding them.

**The Hon. Z.L. BETTISON:** But I will clarify your answer: that at this point the funding ceases in 2019-20, on 30 June 2020.

**The Hon. D.W. RIDGWAY:** And my response is that I cannot see a set of circumstances where we would not continue with that funding.

**The Hon. Z.L. BETTISON:** What program or sub-program in the budget do these projects fall under?

**The Hon. D.W. RIDGWAY:** It is under Program 1: Tourism Development, sub-program 1.1.

**The Hon. Z.L. BETTISON:** My understanding is, and can I get you to clarify it, that these agreements previously have been multiyear agreements? I think you said it was a three-year agreement previously.

**The Hon. D.W. RIDGWAY:** The current agreement is a three-year one. I am not sure what length previous agreements were.

**The CHAIR:** The member for Hammond is seeking the call.

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

*An honourable member interjecting:*

**Mr PEDERICK:** Yes; I am very serious. I refer to Budget Paper 4, Volume 4—

*An honourable member interjecting:*

**The CHAIR:** Order! Every member of the committee, indeed every member of the parliament, is entitled to ask a question of the minister. This is not opposition estimates, this is parliamentary estimates, and as far as I am aware the member for Hammond is a member of parliament. Member for Hammond.

*Mr Hughes interjecting:*

**The CHAIR:** Order, member for Giles! Cut that out.

**Mr PEDERICK:** Thank you for clarifying that, sir. I refer to Budget Paper 4, Volume 4, page 185, administered items for the Department of Treasury and Finance, and the Adelaide Venue Management Corporation estimated result for 2018-19. Can the minister please provide detail around the Adelaide Venue Management Corporation's performance highlights for the financial year?

**The Hon. D.W. RIDGWAY:** I thank the honourable member for his question and his interest in the Adelaide Venue Management Corporation. It is interesting that the member for Mawson asked, I think, one question last year to the Adelaide Venue Management Authority: had they ever had any questions. They said, 'No.' That was the first question in 13 years.

If I can, I invite Mr Anthony Kirchner, the chief executive, to respond to this question. I thank him for his tireless, hard work in running these facilities the way he does for the great people of South Australia.

**Mr KIRCHNER:** Thank you, minister. It is a great thrill to be asked this question, and I thank the member for Hammond for doing so. Adelaide Venue Management, as I am sure the member for Hammond is aware, is responsible for the management of the Adelaide Convention Centre, the Adelaide Entertainment Centre and Coopers Stadium. It achieved a gross operating profit in 2018-19 of \$23.4 million and a net operating profit of \$9.6 million. It returned a dividend to government of \$1.6 million. We are very proud to employ more than 950 South Australians, including 33 Indigenous employees.

The Adelaide Convention Centre had a record year in 2018-19, hosting 775 events, including 70 major international and national conferences. Some of the higher profile and larger conferences included the Australian Dental Congress, the Land Forces congress, the Australasian Diabetes Congress and the Association of Superannuation Funds Conference amongst many, many others. In total, the Adelaide Convention Centre attracted over 31,000 international and interstate visitors, delivering more than 113,000 bed nights to local hotels.

These high-yielding delegates were also very hungry. The Adelaide Convention Centre purchased over \$4.6 million of food and beverages from local suppliers, including 80 tonnes of fresh fruit and vegetables, more than 57 tonnes of beef, chicken, lamb and pork, two tonnes of prawns, 30,000 oysters, 80,000 litres of beer and cider, and 40,000 bottles of wine—members on our right are probably thinking it is a member for Mawson's Christmas party, but I can assure you it is not—

*Members interjecting:*

**The CHAIR:** Order!

**Mr KIRCHNER:** It also included 60,000 litres of bottled water and 24,000 litres of orange juice. We should all be very proud of the Adelaide Convention Centre. This year it became the first convention centre in the world to be awarded EarthCheck Platinum Certification in recognition of its leadership and commitment to operating a venue in an environmentally sustainable manner. In addition, the centre received a national award for best banqueting and catering, as awarded by peak industry body Meetings and Events Australia.

Looking forward, the Adelaide Convention Centre is on track for another record year in 2019-20. It also has a record level of future business on its books, with more than 111 conferences, including 29 conferences with more than thousand plus delegates expected to attend.

The Adelaide Entertainment Centre has also had a great year, having had its second highest number of performance days since opening back in 1991. Some of the bigger names to come through included Pink, Katy Perry, Post Malone, Kendrick Lamar, Kylie, Michael McIntyre, and Jim Jefferies amongst many, many others. We are, of course, very excited to have Hugh Jackman in town next week for five sell-out performances.

The member may also be aware that the Adelaide 36ers shall call the Adelaide Convention Centre home for the first time in 2019. They will play their first game of the upcoming NBL season on Saturday 19 October against the Brisbane Bullets, and we look forward to welcoming all the Adelaide 36ers fans on that night.

**The CHAIR:** Thank you, Mr Kirchner. Just for the record, it is inappropriate to reflect on any member of this house. Please, in future do not do that. Member for Ramsay.

**The Hon. Z.L. BETTISON:** I refer to Budget Paper 4, Volume 4, program 1, page 112. We are looking at the reduction in the destination development in the sub-program. There is a reduction of \$942,000 of budgeted expense for 2019-20 towards destination development. What specific activity will be affected by this cut in funding?

**The Hon. D.W. RIDGWAY:** What budget line was that? Can you repeat that, please?

**The Hon. Z.L. BETTISON:** Program 1, page 112, looking at the destination development.

**The Hon. D.W. RIDGWAY:** I will just get the details for you. The decrease of \$942,000 in net cost is primarily due to a contractual arrangement to provide passenger terminal access to South Australia. So it is the reduction in funding of one-off projects such as signage and the wi-fi projects, implementations of saving measures and a decrease in income received from cooperative activities where participation and contributions from partners are received as revenues.

**The Hon. Z.L. BETTISON:** Previously, you received money that flowed in from partners; is that correct?

**The Hon. D.W. RIDGWAY:** That is my understanding, yes, for some of it, and some projects like the wi-fi and signage were ceasing.

**The Hon. Z.L. BETTISON:** Was that project planned to continue? Obviously, 60 wi-fi spots were announced. It is something you did when you were very new as minister. Have you cut that program back?

**The Hon. D.W. RIDGWAY:** I think the 60 are complete now.

**The Hon. Z.L. BETTISON:** So it has come to the conclusion?

**The Hon. D.W. RIDGWAY:** We have installed the 60. I think there is some evaluation being done on how effective they are. I was only recently in Hahndorf, and I noticed some people clustered around the hotspot with their mobile devices. That was a project done in partnership with Telstra. It was to do 60, in some pretty remote locations as well, and the project is complete.

**The Hon. Z.L. BETTISON:** Is there a separate international flight attraction budget line?

**The Hon. D.W. RIDGWAY:** Not in tourism. We are continually looking for opportunities for new international partners. There has been ventilated in the media recently a range of potential opportunities. As you would be aware as a former minister, some of those things are multiyear quite significant investments with marketing. There is a whole range of activities. We do not have an

ongoing budget line for that, but if we were fortunate enough to secure a new international partner, then clearly the funding would be made available for that to happen.

**The Hon. Z.L. BETTISON:** Perhaps the Economic and Business Growth Fund.

**The Hon. D.W. RIDGWAY:** Well, you never know. The tourism sector is one of our key sectors identified in the Joyce review, and the Economic and Business Growth Fund is clearly designed to support our key sectors. I am glad you have highlighted that to me. That would be an excellent source of funds. I will see whether the Treasurer shares your view—that would be interesting—but, again, Nick Jones, Rodney and the team are constantly talking to airline partners.

We have seen great growth in some of the airlines that we have had. China Southern was the most recent one where we have had large numbers. It has been a success. It went from three flights a week to daily over the recent summer and provided excellent service. I think there is a track record of what we can achieve if we make good investment in airlines.

**The Hon. Z.L. BETTISON:** Looking at the same program but on page 113, how much funding is allocated to TiCSA in their recently signed agreement?

**The Hon. D.W. RIDGWAY:** I will get the exact details. TiCSA are a good organisation. From very early in my time as the shadow minister, I thought that the tourism industry council as they were know then, now TiCSA, played an important role. You must have strong industry associations. I think it is good for a vibrant industry to have a group that will stand up and question government and also provide some support.

I have encouraged TiCSA in the light of minister Pisoni wanting to have an extra 20,800 apprenticeships and traineeships. There is an opportunity here. I think TiCSA are doing some work to look at whether they can partner with a training organisation or become a training organisation. I think there are some really good opportunities.

I have encouraged Eoin Loftus and Shaun de Bruyn to have a look at that. It is clearly a decision for their board, but I think that is an opportunity for them to really start providing value. I think that high level of service, as we get more competitive—and I mentioned earlier in the hearing today about the US component—we need to make sure our level of service is first class. So I think TiCSA play a role in that, and the budget for this year is \$264,350.

**The Hon. Z.L. BETTISON:** Has that been reduced since last year or the last agreement?

**The Hon. D.W. RIDGWAY:** In 2018-19, it was \$264,350. Now, in this year, it is \$195,000, which committed \$130,000 for the new three-year program around the tourism awards, \$50,000 to continue with ServicelQ and \$15,000 for the sponsorship of the industry conference.

**The Hon. Z.L. BETTISON:** You have cut out \$70,000 from industry support. That is my back of the envelope: \$195,000 is their ongoing funding?

**The Hon. D.W. RIDGWAY:** Yes.

**The Hon. Z.L. BETTISON:** Previously, \$264,000. So they have lost significant funding.

**The Hon. D.W. RIDGWAY:** They have, but in the end they have much stronger membership than they have had before. Again, that is why I have encouraged them to look at becoming a training organisation. It was a decade ago when the plan originally started. The Industry Council, or TiCSA as we know it today, would ultimately stand on their own two feet. There might be one-off project funding, but the plan was to have them stand on their own two feet and be a self-funded industry body.

That is why I am encouraging them to try to become involved in the training side of it, to do things that actually allow them to be more sustainable because that was the original attempt when it was set up, on my understanding, about a decade ago. Government funding—whether it was under your government—would be provided over a period of time and ultimately they would stand on their own two feet.

They are almost there and they are very happy with this agreement. I am confident that if we can look at ways they can support their members and also grow their organisation then I am sure they will be able to get close to being self-sufficient.

**The Hon. Z.L. BETTISON:** Looking at Budget paper 4, Volume 4, page 116, tourism events: are there any funds in the SATC budget that contribute to the Bay Sheffield carnival? Can you confirm that there will be equal prize money for men and women for this carnival and that that will be continued in this budget?

**The Hon. D.W. RIDGWAY:** I will get the exact details. We support a whole range of small events. I have a recollection that Bay Sheffield is in there, but we will just triple-check that. Although I do not know around the prize money—that is really a matter for the Bay Sheffield. I do not believe we—

**The Hon. Z.L. BETTISON:** I understand you put additional money in previously to make sure—SATC did that. It was equal prize money for men and women.

**The Hon. D.W. RIDGWAY:** They have received \$15,000 this year. I will ask Mr Harrex or Stephanie to confirm that that is what they have received in previous years. We will take that on notice as to whether it is the same amount. I certainly would not see them having a different level of prize money. I think that would be—

**The Hon. Z.L. BETTISON:** Fantastic. I think that is a commitment from you.

**The Hon. D.W. RIDGWAY:** —unacceptable, but we will see whether the amount of money that we have given this year has reduced.

**The Hon. Z.L. BETTISON:** I refer to Budget Paper 4, Volume 4, page 119. Minister, when did you learn that Singapore Airlines would close their Adelaide office? Was this before or after the government signed a marketing agreement with the airline?

**The Hon. D.W. RIDGWAY:** I think the formal advice was only recently. From an operational point of view, nothing is going to change. Singapore Airlines—

**The Hon. Z.L. BETTISON:** Twelve people have lost their jobs.

**The CHAIR:** Order, member for Ramsay! Just allow the minister to complete his answer.

**The Hon. D.W. RIDGWAY:** They announced on 22 July that they would close their office, and I think those changes come into effect on 14 October. It is interesting to note that Singapore Airlines chose Adelaide as the destination for their new A350 to fly into, which was a fabulous endorsement of Adelaide. It is our longest airline partner. I think they will have some additional flights, maybe over the summer period. It is always disappointing, but we have seen it with other international businesses where they contract their head office management.

Singapore is a key partner and there are marketing arrangements and promotions arrangements with the SATC and Singapore Airlines that are ongoing. They have served us extremely well. I think we should be mindful of that fact when we attract other airlines like Singapore. They are our longest serving member of the international cohort. They have been with us through good times and bad times, and I am sure that really strong support will continue from Singapore Airlines even though they are closing their commercial sales unit in Adelaide.

**The Hon. Z.L. BETTISON:** Minister, there is almost a \$1 million cut in international tourism expenditure this financial year compared with 2018-19. What specific activities will be affected as a result of this reduced budget?

**The Hon. D.W. RIDGWAY:** I will just get some extra details on that. Any changes will have been under the lens of where we get the best benefit for our visitor economy. That is why, again, we are so delighted we have \$7.2 billion in visitor expenditure. There is a decrease of about \$1 million, mainly due to a decrease in expenditure on minor marketing activities to promote Adelaide and regional tourism experiences and products.

When we have a writedown in GST as we have had—and, as we said earlier, our core focus is in growing the visitor economy—the team and the board (and we have a very good board in the

Tourism Commission) then have a close look at where we can get the best bang for our buck. Every now and again in these difficult times some things will be trimmed.

**The Hon. Z.L. BETTISON:** But do you agree—

**The CHAIR:** Thank you, minister and member for Ramsay. Unfortunately, time has expired. There being no further questions, I declare the examination of proposed payments for the portfolios South Australian Tourism Commission and Adelaide Venue Management Authority, and the estimate of payments for the Department for Trade, Tourism and Investment, the Minister for Trade, Tourism and Investment and the South Australian Tourism Commission completed.

**The Hon. D.W. RIDGWAY:** Mr Chairman, I know it is a little bit out of order, but the Bay Sheffield prize money is equal.

**The CHAIR:** Thank you, minister.

*Sitting suspended from 12:01 to 13:00.*

**DEPARTMENT FOR ENVIRONMENT AND WATER, \$141,869,000**  
**ADMINISTERED ITEMS FOR THE DEPARTMENT FOR ENVIRONMENT AND WATER,**  
**\$28,727,000**

**Membership:**

Dr Close substituted for Hon. Z.L. Bettison.

Mr Brown substituted for Mr Hughes

**Minister:**

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

**Departmental Advisers:**

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

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

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

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

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

Ms M. Healy, Acting Director, Office of the Chief Executive, Department for Environment and Water.

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

Ms M. Heinson, Principal Biosecurity Officer, Biosecurity SA, Primary Industries and Regions South Australia.

**The CHAIR:** The estimates committees are a relatively informal procedure and, as such, there is no need to stand to ask or answer questions. I understand the minister and the lead speaker for the opposition have agreed to an approximate time for the consideration of proposed payments,

which will facilitate a change of departmental advisers. Can the minister and the lead speaker for the opposition confirm that the timetable for today's proceedings previously distributed is accurate.

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

**Dr CLOSE:** Yes.

**The CHAIR:** Changes to committee membership will be notified as they occur. Members should ensure that the Chair is provided with a completed request to be discharged form. If the minister undertakes to supply information at a later date, it must be submitted to the Clerk Assistant via the answers to questions mailbox no later than Friday 5 September 2019.

I propose to allow the minister and the lead speaker for the opposition to make opening statements of about 10 minutes each, should they wish. There will be a flexible approach to giving the call to ask questions based on about three questions per member, alternating each side. Supplementary questions will be the exception rather than the rule.

A member not on the committee may ask a question at the discretion of the Chair. Questions must be based on lines of expenditure in the budget papers and must be identifiable or referenced. Members unable to complete their questions during proceedings may submit them as questions on notice for inclusion in the assembly *Notice Paper*.

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

All questions are to be directed to the minister and not the minister's advisers. The minister may refer questions to advisers for a response. The committee's examination will be broadcast in the same manner as the sittings of the house are broadcast, that is, through the IPTV system within Parliament House via the webstream link to the internet and the Parliament of South Australia video-on-demand broadcast system.

I will now proceed to open the following lines of examination: the portfolio of Department for Environment and Water. The minister appearing is the Minister for Environment and Water. I advise that the members for Ramsay and Giles have been discharged and we have been joined by the member for Port Adelaide and the member for Playford.

I declare the proposed payments open for examination and refer members to the Agency Statements, Volume 2. Minister, if you could please introduce your advisers and make an opening statement if you wish.

**The Hon. D.J. SPEIRS:** Thank you, Mr Chair. I will take the opportunity to make an opening statement this afternoon. I think it is useful to give some context to the portfolio and some of the achievements that have occurred.

I would like to introduce the departmental officers assisting me today. They are, to my left, Mr John Schutz, the Chief Executive of the Department for Environment and Water; and Mr Shaun O'Brien, the Chief Financial Officer of the department; to my right is Mr Ben Bruce, Executive Director, Water and River Murray; and behind me, in no particular order, are Ms Sandy Carruthers, Executive Director, Strategy, Science and Corporate Services; Ms Mary-Anne Healy, Acting Director, Office of the Chief Executive; Mr Andrew Geytenbeek, Senior Management Accountant; Mr Mike Williams, Executive Director, National Parks and Wildlife Service; and Michaela Heinson, who is from Biosecurity SA, representing Mr John Virtue, who is unable to be here today.

I would like to thank the team here with me as well as the staff from the Department for Environment and Water, who have contributed significant time and effort to prepare the budget as well as the briefings used for the estimates sessions today. This is no small task and I commend the agency for their hard work and dedication.

The Department for Environment and Water has a critical role to play in conserving and protecting our natural environment and helping to underpin the success of our state on behalf of those who call South Australia home. The 2019-20 state budget will really deliver for South Australia's natural environment. It will continue and extend the government's strong focus on national parks and

coasts, as well as the health of the River Murray. Importantly, we see nearly \$86 million in new spending over the forward estimates, which is a substantial increase on where the budget was when I inherited it.

South Australia is one of the most liveable states in the world, and this has a lot to do with our easy access to nature. Parks are central to the lives of South Australians and the experience of our visitors. They provide significant social, economic and health benefits to our communities, and improved landscape resilience in the face of a changing climate. I note that some 21 per cent of our state, an area just around the same size as the United Kingdom, forms part of our reserve system, and government having control of such a significant part of our jurisdiction gives us the ability to shape it and to create that resilience that we really do need in the face of changing climate.

Our government is committed to investing in our national and conservation parks and other reserve areas to protect the best of our natural heritage and unique flora and fauna, as well as creating world-class experiences for visitors to our state. As part of the 2019-20 budget, we announced \$6 million over four years from 2019-20 to 2022-23 to create the Great Southern Ocean Walk. This initiative will connect the parks that run along the southern coastline of the Fleurieu Peninsula.

Work will include upgrading the Heysen Trail from Cape Jervis to Deep Creek, improving visitor facilities in the Deep Creek Conservation Park, and the construction of a universally accessible walking trail in this park, giving people of all physical capacities the ability to experience and enjoy our natural environment. This will be a beacon for locals and tourists alike, driving sustainable economic growth in the region and enhancing the visitor economy experience that is available on the Fleurieu Peninsula.

Much of our existing park infrastructure was established in the 1970s and 1980s, if not before, and is now nearing the end of its useful life, and significant maintenance repairs and replacements are required. We have allocated \$3.3 million over four years and \$2 million per annum beyond 2022-23 to renew and replace ageing park visitor infrastructure across the state. A program of works will be developed in close engagement with friends of parks, park users and other community groups across the state. The focus of this program will be on increasing the accessibility of parks for all.

The budget invests a further \$2.5 million in the creation of Glenthorne National Park in our southern suburbs, adding to the previously committed \$10 million investment over four years. As the committee may be aware, following the election of the federal Coalition government, this investment has attracted a further \$1.75 million of commonwealth government funding for restoration works and a portion of the \$2 million from City Deals to support the development of that national park.

I believe it is testament to the excitement and enthusiasm that the community has in the creation of Glenthorne National Park that it has been able to continually attract investment from external sources. We have established the Glenthorne Partnership, a community advisory group that will ensure the development of a new park which is consistent with community desires and expectations. In April 2019, we also held three public open days when more than 3,500 people had the chance to experience the opportunity that this national park represents and to provide feedback on what it may look like in the future.

The government continues to have a strong commitment to reducing emissions and building a more resilient landscape and community. The Premier's Climate Change Council, now headed by Mr Martin Haese, and my department are coordinating the development of an across-agency climate change strategy to support a coordinated and structured approach to tackling climate change.

The investment in our coast represents the largest investment in our coastline in decades, reflecting the importance of our coastline as the first line in the defence against increasing storm events and a changing climate. This funding will support large-scale beach sand replenishment and a sand recycling pipeline that will ensure sand stays on our metropolitan beaches. It also includes funding to restore vegetation on our dune systems. This initiative provides \$48.4 million for metropolitan replenishment works, including \$5 million over 2019-20 and 2020-21 for immediate sand carting to halt the ongoing loss of sand until external sand and a sand recycling pipeline are delivered.

Funding of \$15 million is allocated for a large external sand delivery program, and \$28.4 million for a sand recycling pipeline to commence construction in 2021-22. This initiative also includes sand dune restoration and revegetation works to be conducted with local councils and coastal community groups.

We are also providing an additional \$4 million to assist local councils with regional coastal works. Local regional councils play a critical role in protecting public and private assets from coastal hazards and in maintaining coastal areas for all South Australians and tourists alike. Grants will support high-priority projects that invest in hard infrastructure such as seawalls and levies, and also soft coast protection such as dune reconstruction and stabilisation.

In 2019-20, \$9.4 million will contribute to the ongoing operations and maintenance of assets that were constructed under the SA Riverland Floodplain Integrated Infrastructure Program. This is broken down into \$1.2 million in 2019-20, \$2.4 million in 2020-21, and \$2.9 million per annum from 2021-22. The ongoing operation and maintenance of these assets is required for the state to meet its basin plan obligations and to deliver improved environmental and community outcomes.

These new initiatives are on top of ongoing vital work of the department and a range of initiatives that are underway. This includes our substantial increase in ranger numbers, opening reservoirs for recreation, leading nature-based and heritage tourism opportunities that bring people to South Australia and the ongoing vital work of the department in conserving and enhancing our natural environment.

To deliver these exciting initiatives and support the government's significant environmental agenda, the Department for Environment and Water has gone through a process of realignment under our new chief executive, John Schutz. The reform process has resulted in a reduction in executive roles, in addition to a reduction in the number of divisions or groups across the department, from six to four.

The department's new Environment, Heritage and Sustainability Division will have a focus on partnering with our boards and councils to build capacity and deliver improved outcomes for the environment and our community. The Strategy, Science and Corporate Services Division will ensure that major strategy and policy development is coordinated and supported. They will act as a skills and knowledge base.

Corporate services will be delivered centrally and seek to be efficient and more streamlined. They will undertake ongoing reform to reduce red tape and administrative processes both internally and for customers across the agency. The Water and River Murray Division will focus on the use, management and conservation of our state's water resources, which include the responsibility for driving the delivery of the Murray-Darling Basin Plan.

Finally, the new National Parks and Wildlife Division, which the Premier and I had the pleasure of launching on the weekend, will have a renewed and increased focus and effort in the management of our national parks, wildlife and public lands, including supporting the community to connect with our parks, deliver best practice park management and see more rangers on the ground.

In line with these changes, the department has continued to work hard to find efficiencies and use taxpayer money as carefully as possible. Practically, this has led to a spend of \$161,541 on media advertising campaigns, instead of \$471,303 in the 2017-18 financial year. This is approximately 30 per cent of the spend from the previous year, and we will continue a focus on reducing our spend on media advertising.

We have also been able to save \$3,600 on pot plant costs compared with \$10,800 in the 2017-18 financial year. We have not reduced the number of pot plants within the department but simply have renegotiated the contract. While that is a small matter, it is that sort of financial discipline, compared with the previous regime, that I am pleased to be part of.

That is a short synopsis of a strong and practical budget from the Department for Environment and Water. I would once again express my appreciation to all the staff who have worked on preparing information for the estimates process over the past few weeks.

**Dr CLOSE:** My opening statement is limited to thanking the staff who have attended today for the work that they have done to prepare to answer all our questions. I will go to my first question:

in the Budget Measures Statement, Budget Paper 5, on page 39, at the bottom of the table we have a reference to Crown land sales. Will any of the sales be heritage-listed places?

**The Hon. D.J. SPEIRS:** As many on the committee would know, the Department for Environment and Water contributes to the state's economic growth agenda by proactively working with other government agencies, local government and the private sector to identify surplus Crown land for sale. Between 1 July 2018 and 30 June 2019, the gross proceeds realised from Crown land disposed of by the department, pursuant to the Crown Land Management Act 2009, was \$12.09 million. This was actually above the budgeted revenue target of \$10 million.

For the forward schedule for the current financial year, the Crown land disposal revenue target for 2019-20 is \$4.53 million. In that financial year, the budget for direct disposal costs is \$648,000, and for indirect disposal costs it is \$531,000. At this stage, I am unable to confirm what properties or packages of land are scheduled for sale. These tend to appear in both a planned and an opportunistic fashion, depending on whether the department is approached by people who would like to buy adjacent land and the like, as per Department of the Premier and Cabinet Circular PC 114, so I am unable to answer if there are any heritage properties that are likely to be sold. I would suggest that that is very unlikely.

**Dr CLOSE:** In the \$12.09 million from 2018-19, were any of those sales of heritage-listed properties? If so, what yield did they reap for the department or the government?

**The Hon. D.J. SPEIRS:** There are many Crown land sales that are fairly insignificant tracts of land and parcels of land adjacent to agricultural land and the like that are disposed of for a relatively small amount of consideration. However, I have been provided with a list of the more significant pieces of Crown land that were sold during that year. From this list I am unable to ascertain if any were heritage properties.

A quick look suggests not, but I would not like to be quoted on that specifically, because I do not really know the situation with regard to these properties that are before me. One of them is Lot 7601, Lancaster Drive, North Haven—Port Adelaide. The deputy leader might be more aware of that property than I. The others do not appear to be heritage. I can look into that and find out if any of them are heritage properties.

**Dr CLOSE:** Thank you, I appreciate that. Page 40 of the same budget paper refers to the operating efficiencies, the departmental efficiency measures at the top. What is the accumulated savings task now with this money coming in for, first of all 2019-20 and then 2020-21? I appreciate the only new money that needs to be found is for 2020-21 of those two years, but what is the accumulated savings task?

**The Hon. D.J. SPEIRS:** The accumulated savings task for the 2019-20 financial year is \$12.6 million.

**Dr CLOSE:** And how is that anticipated to be achieved?

**The Hon. D.J. SPEIRS:** This will be primarily achieved through savings from voluntary separation packages taken in the 2018-19 financial year which is where those savings obviously substantially flowed through to the forthcoming financial year, as well as general efficiencies and vacancy management strategies that the department will be undertaking.

**Dr CLOSE:** How many TVSPs were offered in that last financial year, and accepted?

**The Hon. D.J. SPEIRS:** Offered or accepted?

**Dr CLOSE:** And accepted.

**The Hon. D.J. SPEIRS:** On 6 September 2018 and 31 January 2019, the Department for Environment and Water invited salaried employees covered by the South Australian Modern Public Sector Enterprise Agreement Salaried 2017 to express interest in receiving a targeted voluntary separation package. On 7 May 2019, the department invited weekly paid employees covered by the South Australian Public Sector Wages Parity Agreement Weekly Paid 2017, to express interest in receiving a voluntary separation package.

Following consideration of expressions of interest from 1 July 2018 to 30 June 2019, the department offered 137 employees either a targeted voluntary separation package or a voluntary separation package. As at 30 June 2019, a total of 119 employees have accepted either the TVSP or the VSP offers. As at 30 June 2019, of the 119 who accepted, 84 employees have separated from the Department for Environment and Water, and 35 have future designated separation dates scheduled.

**Dr CLOSE:** Do you anticipate any further TVSPs in the 2019-20 financial year?

**The Hon. D.J. SPEIRS:** It is likely that another round of TVSPs and VSPs will be offered to staff within the Department for Environment and Water during the 2019-20 financial year, but this has not been confirmed or scheduled at present.

**Dr CLOSE:** Is there a target for how many would be acceptable to the department?

**The Hon. D.J. SPEIRS:** No; there is not a target.

**Dr CLOSE:** Turning to page 41, and securing the future of our metropolitan coastline, yesterday I attended a forum about the sand-carting and pipeline for Semaphore. I was lucky that I happened to live in the area that was letterboxed, otherwise I would not have known about it, despite having written to the minister on 30 May asking for someone from the Coast Protection Board to present to a forum I would like to hold for my community. I have not had a reply yet, so I had many of my questions answered—

**The CHAIR:** Member for Port Adelaide, we are looking at budget estimates here and a line item in the budget, not about a forum you seek to host. The member for Kavel has the call.

**Mr CREGAN:** Minister, I take you to Budget Paper 4, Volume 2, page 134. Can you outline to the committee the role that rangers will play in the Department for Environment and Water in conservation, education and towards improving the visitor experience in our national parks?

**The Hon. D.J. SPEIRS:** I thank the member for Kavel for his question. He and I regularly talk about the value of our parks and reserves system, particularly those in the Adelaide Hills, obviously, because while he is interested in parks across the whole state I have no doubt he has a particular affection for those within the Mount Lofty Ranges, given his role in representing those areas of our state's great geography.

Members of the estimates committee would be aware that the government went to the 2018 election making a commitment that we would increase the number of park rangers operating within the Department for Environment and Water to send a strong message to communities and those who are interested in our environment that we believe the care, stewardship and nurturing of our park system is at the very heart of the role of the environment department. I think it is fair to say that when I became Minister for Environment and Water in March 2018 the prominence of our National Parks and Wildlife Service—if we even had one—was not where it should be.

I have often said that if I asked someone in my electorate—and I am sure the member for Kavel would have the same experience—what they thought the role of the environment department was, they would put the care and stewardship of our national parks right near the top of that agenda. Of course, while it was part of the work of the department it just did not have the prominence. When you look at 21 per cent of the state forming part of our protected reserve system, a vast area covering our diverse natural landscape within this state from Kangaroo Island to the Nullarbor, to the wilderness areas in the Far North and north-west of our state through to the South-East, there is such a huge area to care for.

It was the view of this government, both when we were in opposition and since forming government, that we could do better there. On the weekend I was thrilled to attend, with the Premier and the member for Waite, the launch of the National Parks and Wildlife Service at Belair National Park which is, of course, the oldest national park in South Australia and the second oldest national park in the whole of Australia—sadly, it is not in the member for Kavel's district, but it is not that far away, just down the hill.

At the launch I was really excited to see the enthusiasm and energy being shown by the workforce who are going to form the new National Parks and Wildlife Service into a really focused

national parks and wildlife service, not blurred between natural resources management and the administrative part of the department but a body that actually has its own brand, its own focus on the care and stewardship of our parks. It was very exciting to see that renewed enthusiasm and an acknowledgement of the value the government is putting on our parks as well as in the role of rangers.

Members would be aware that under the previous government rangers almost became a threatened species themselves with numbers reducing dramatically over a period of around five years, maybe a bit more, leading into 2018. As at 30 June 2019, there were 103 park ranger positions in the Department for Environment and Water compared with 93 in March 2018. I am advised that our government's commitment to employ 20 new rangers will be completed before the end of the 2019 calendar year, which is significantly in advance of where we hoped it would be.

Five new ranger positions have been created and these positions are on Kangaroo Island and the parks in the Adelaide Hills, with coastal rangers focusing on the South-East and Eyre Peninsula building up a specific knowledge of the unique protected coastal environments that this state is lucky to have and being able to understand the particular challenges our coastline endures but also the opportunities we have for the rehabilitation and recovery of our coastal environments. We made it very clear that we wanted some of these rangers to have a real focus on the coastal environments, given we have 5,067 kilometres of coastline along this state and a considerable amount of that falls within the reserve system.

Staff who recently completed the Department for Environment and Water's graduate rangers program were also appointed to these new positions. Historically, there have not necessarily been spots for our graduate rangers once they have completed their graduate program but, because of the expansion of the number of positions for park rangers, we have been able to accommodate graduate rangers in a way that was not always the case in the past.

In June 2019, a separate recruitment process for additional ranger positions was undertaken, and 11 rangers have been employed as a result of that process. Six of these new rangers are new to the National Parks and Wildlife Service while five have been employed previously within the service on a non-ongoing contract basis.

In what is really exceptionally good news, on 1 July, eight construction and maintenance workers were converted to ranger positions. This is in addition to the extra rangers who have been employed in new roles. We have also been able to create an enhanced career pathway for people who were working as construction and maintenance workers within the department and indicated to management that they desired the opportunity to transition through to becoming rangers, with the appropriate training and support to ensure that they have the skills necessary.

Of course, many of them already had the skills because they were working in those practical roles across the department and had that experience of our national parks on the ground. I know that the conversion of construction and maintenance workers to rangers was something that was undertaken from time to time under the previous government, but we have been able to really do it in a very intentional way this time around. If you add all those new positions together, there are actually 18 new rangers and a net gain of 10 with an additional 10 planned for before the end of 2019, which is just fantastic news for the growth of this workforce.

Further, the member for Kavel and other members may be interested to know that we have announced a new volunteer park ranger program that aims to have 100 volunteer rangers in the field within the next four years by 2022. We foresee this being able to capture the enthusiasm, skills and interest in our natural environment that many South Australians have.

Some younger South Australians who are hoping to build work experience and enter the ranger workforce or other conservation roles in the future may be interested in becoming volunteer rangers while, equally, some older members of our community who have skills, knowledge and understanding of our natural environment may also be keen to become volunteer rangers. We are still shaping exactly what that program will look like, but there really is a great opportunity to engage more people in a fairly formal way, working alongside friends groups and full-time rangers to care for the environment.

The pilot program for the volunteer rangers will be trialled in Morialta Conservation Park in the Adelaide and Mount Lofty Ranges and Innes National Park on the Yorke Peninsula. There will be approximately 15 rangers involved in that pilot program, commencing during the October 2019 school holidays. The volunteer ranger program is intended to provide support to our network of employed rangers during peak visitation periods, such as school holidays, and to provide a meaningful career change to people in our community who feel they can continue to serve within the community, such as retirees or people who are struggling to get work.

A career pathway for Aboriginal rangers within the National Parks and Wildlife Service will also be finalised by 2021, which recognises the unique relationship that Aboriginal Australians have with the land and sea and gives them the opportunity to deploy traditional skills, traditional knowledge and understanding, and share those with the rest of the workforce but also people who are visiting our parks. The very significant and quite iconic roles that rangers play in providing stories, experiences and support to the many thousands of people who visit our national parks across the state on an annual basis should not be underestimated.

**Dr CLOSE:** I refer to Budget Paper 5, page 41, securing the future of our metropolitan coastline. What is the modelled loss to the Semaphore dunes with the sand carting and sand pipeline?

**The Hon. D.J. SPEIRS:** As some members would be aware, the Adelaide coastline presents many challenges for effective sand management given our natural littoral drift of sand from the southern beaches to the northern beaches and continual accumulation of sand in the northern beaches, really anywhere north of Grange through to Semaphore and the Largs area in the northern-most part of our beaches before Outer Harbor.

Because of this natural process, but because of man-made or human-made interference, we have challenges keeping our sand on our southern beaches. That is why the government has initiated a very substantial sand replenishment and recycling program, which sees \$48.383 million invested over four years. That will be particularly focused on creating resilience around West Beach and Henley Beach South. In an interconnected system the creation of resilience at one point of the coast's vulnerability will ensure that the resilience of the coast more broadly throughout metropolitan Adelaide will be significantly enhanced.

The deputy leader is correct to identify that we will be sand harvesting from the northern beaches, around Semaphore in particular. This has been an ongoing process, and it was a pleasure to meet with dune-care groups and friends groups a couple of weeks ago when I visited Port Adelaide to have afternoon tea with them at the Port Adelaide natural resources centre. I was able to talk through, in broad terms, the plans for the sand replenishment project, including the removal of sand from the Semaphore area.

I was also able to reassure that there was not expected to be any overall loss of sand from the Semaphore beach due to that continual natural replenishment of sand through the littoral drifting process from the south to the north, meaning that any sand removed from Semaphore Beach, including the dune system, would be very quickly renewed by the natural processes.

**Dr CLOSE:** How quickly? How long will the Semaphore dune system be damaged before it is recovered?

**The Hon. D.J. SPEIRS:** I do not believe the dune system will be damaged in any way. The speed of replenishment on the northern beaches, while natural and ongoing, is obviously interrupted or enhanced depending on the weather conditions of storm events and things like that, with more sand being taken to the northern beaches in some seasons compared with other seasons. As I explained to the friends groups when I met with them, there is real opportunity for them to work alongside the government to actually see the overall enhancement of the dune system through revegetation projects and the like, which will also be funded through the new funding that is provided under this budget.

**Dr CLOSE:** Moving to securing the future of our regional coastline, the budget papers indicate that there will be \$4 million spent in operating expenditure as grants to support projects. How much sea defence work can you get for \$4 million? How many metres of seawalls or levies do you get for \$4 million?

**The Hon. D.J. SPEIRS:** When I became the state's Minister for Environment and Water with responsibility for caring for our coastline, the Coast Protection Board's budget for grants was just over \$300,000 per annum. The increase of this fund—bearing in mind this is an additional \$1 million per annum for four years, taking our grants to around \$1.3 million a year—represents an almost fourfold increase in the funding that was available under the previous government. We have 5,067 kilometres of coastline in South Australia. Some of that coastline is very vulnerable, other areas are far more resilient.

We will await submissions through our grants process through the Coast Protection Board to see what sort of projects are put forward by regional councils. We would certainly expect regional councils to be able to make a contribution, perhaps matching, if not more, to these projects. Every little bit helps when it comes to the defence of our coasts and councils in regional South Australia have shown particular enthusiasm for the availability of this new funding.

What will be put forward and what can be covered by this funding will be assessed when the government receives the applications and the proposed projects by regional councils, but it is fair to say there has been quite significant interest to date, particularly from the Copper Coast Council, the Yorke Peninsula Council, the Wattle Range Council and the Kingston District Council in the South-East that have shown interest in accessing this new fund.

**Dr CLOSE:** What is the total budget for coast protection, regional and metropolitan, for this financial year?

**The Hon. D.J. SPEIRS:** Deputy leader, can I clarify: is that the operating budget for the coast protection branch within the department or just the grants?

**Dr CLOSE:** For everything that is spent on coast protection by your department.

**The Hon. D.J. SPEIRS:** So the Adelaide Living Coast Strategy, etc.?

**Dr CLOSE:** That is right.

**The Hon. D.J. SPEIRS:** Mr Chair, through you, in the current financial year, that is the 2018-19 financial year, the Department for Environment and Water is forecasting expenditure of \$7.602 million on beach management.

**Dr CLOSE:** That is the 2019-20 year?

**The Hon. D.J. SPEIRS:** Starting in the 2019-20 year, the government will invest an additional \$48.83 million over four years as part of—and on metropolitan Adelaide beaches, and also that \$4 million in regional funding, \$1 million of additional funding every year. That is hard to break down, given it is such a large number, exactly how that will flow over the next four years as the project is still being scoped, but it will be somewhere around—well, there is \$48 million plus \$4 million which takes us to about \$52 million and then there is ongoing coastal management branch funding of around \$7 million a year.

So you would have to divide that figure by four and extrapolate it over the next four years but, as I say, the project is a large project and is still being scoped. It has its overall budget but we will have to refine exactly how that looks as it is rolled out in the coming years.

**Dr CLOSE:** Thank you. If we can turn to Budget Paper 4, Volume 2, page 131, which includes the workforce summary. I am interested to know, assuming that the Landscape SA Bill gets through and becomes an act, what impact that is likely to have on corporate services in the Department for Environment and Water, and corporate services in the landscape regions and the boards that they support. Will there be a disentanglement of corporate staff and, therefore, a potentially greater burden on each to do similar work, or will there be a centralisation within the department still?

**The Hon. D.J. SPEIRS:** Thank you, deputy leader. It has always been my intention that while we see a decentralisation model and a stronger individual character for each of these boards, where sensible to do so, there would still be a shared use of services, and we are working through a working group at the moment, what that will look like and which services could and should be shared, and which services should be under the control and direction of the new decentralised landscape

boards. Given this fairly operational matter, I will ask the chief executive, Mr Schutz, to provide a bit more detail.

**Mr SCHUTZ:** Thank you, minister. Through the Chair, if I understand your question, it is with regard to the impact of landscapes on future corporate services for the landscape boards. As I am sure the member understands, under the current model, the department provides those corporate services under a letter of direction from the minister to both the presiding members of the boards, the NRM boards, and to the chief executive of the department, so they are provided on a cost-recovery basis.

Under the new model of reform for landscapes, under the government's election commitment the boards will become independent and will have their own workforce established under them. The minister has asked the department to provide further advice to him about what is the best model to provide ongoing corporate services to the board. He has made it very clear he wants to be efficient, he wants to be consistent, and he wants to be compliant, but he wants to be enabling first and foremost for the boards to be able to get on and deliver their services under the new legislation.

We have not yet provided the minister with all of that advice. We are currently working through that. As you would expect, there are a lot of elements to that. Some will make more sense I think ultimately, pending the minister's decision, to have more of a centralised point of service provision for which the boards would have to cover that cost, whereas others, it would make more sense to have the boards allowed to do that themselves so they can actually get on and make their decisions and deliver their outcomes more directly with their workforce and their community.

**Dr CLOSE:** Thank you. I look forward to seeing how that evolves. If we turn to page 134, and I appreciate the minister has already given a reasonably lengthy answer about the ranger recruitment process, and I was seeking to listen carefully. I do not know if he raised it so I will ask now. Several of the staff were already working within the department either as graduate rangers or on contract. Have those positions been filled, or are they now empty, so a graduate ranger has been replaced by graduate ranger, or is that position now gone?

**The Hon. D.J. SPEIRS:** Thank you, deputy leader. I will get the chief executive to answer this one as well, just because of the operational nature of it.

**Mr SCHUTZ:** Thank you, minister. The department has run a graduate ranger program since about 2007. That program is a two-year program where we take graduates into it who do four placements of six months each—one centrally and three regionally. In most recent years, at the conclusion of that two-year program the graduates took their chances if there were positions available. Many of them took short-term placements, but at the same time there was no guarantee of ongoing employment, and many moved on.

As the minister has already explained, under the reform process and the changes, particularly our delivery of national parks and wildlife service and re-establishing those rangers as front-line positions, graduates were offered ongoing positions in the department. That has been a really good opportunity. We would seek to place our graduates in those roles before we would seek to go external to the agency, where we have people who have (1) satisfactorily completed the graduate program and (2) are prepared to take the placements that are available. Given we run a statewide service, it is not always convenient for somebody to be placed in Ceduna or to work in Innamincka or somewhere like that. That is our intent.

As we go forward, we are reviewing the graduate program alongside of looking to implement potentially our trainee rangers program as well, in line with the government's commitment to traineeships. We are possibly looking at streaming both into our workforce into the future, so providing great access points to people to become rangers.

**Dr CLOSE:** Has there been a reduction between 2018-19 and 2019-20 in the number of graduate ranger positions?

**The CHAIR:** Order! Member for Port Adelaide, questions are to be through the minister. If the minister chooses to allow one of his advisers to answer, so be it.

**The Hon. D.J. SPEIRS:** I will take that question on notice.

**Dr CLOSE:** Thank you. Are all of the rangers—I understand the number of rangers is now 103—in the department in permanent positions?

**The Hon. D.J. SPEIRS:** The number of rangers in ongoing positions as of 30 June 2019 was 103, up from 93 when we took office in March 2018. While there has been some flux in the workforce and some people have left us, the overall net gain is 10, which is great for our natural environment.

**Dr CLOSE:** Are all of the 103 in permanent positions?

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

**Dr CLOSE:** At what band have the 18 who have come in and been made permanent rangers been appointed in?

**The Hon. D.J. SPEIRS:** As in payment band?

**Dr CLOSE:** Yes.

**The Hon. D.J. SPEIRS:** I will have to defer that question to the chief executive for further advice.

**Mr SCHUTZ:** Thank you, minister. Under the restructured national parks and wildlife service workforce band, it is from OPS-2. Given these are people coming into the workforce, it is probably up to about OPS-5. Obviously, we have more senior positions which we also have within the workforce, but invariably when we bring people into the service they come in at those low levels.

**Dr CLOSE:** Will any rangers be offered TVSPs in the 2019-20 year?

**The Hon. D.J. SPEIRS:** We cannot predict who will put their hand up for targeted voluntary separation package. It is my view that, given the substantial restructure of the department and the fact that there were a number of rangers in more obsolete roles who left the department, it would be unlikely that we would see any more rangers leave as part of targeted voluntary separation packages, but that will be a decision for the chief executive. I will ask him if he wants to provide any further clarification.

**Mr SCHUTZ:** As the minister has already alluded to, the restructure of the workforce is really what gave rise to a number of previous positions being offered TVSPs (targeted voluntary separation packages). Given that we have moved through that process over the last 12 months since the new government took office and on 1 July we announced a new structure for the National Parks and Wildlife Service, it is not my intention to offer any further TVSPs to rangers as we have now reset the workforce. However, as the minister has said, it is difficult to guarantee that that will be the case right across the board. We have no intention of targeting or offering those on a decision basis.

**The CHAIR:** The member for Hammond is seeking the call, patiently.

**Mr PEDERICK:** Minister, I refer the committee to Budget Paper 4, Volume 2, page 137. Can the minister outline for the committee South Australia's progress and achievements under the Murray-Darling Basin Plan?

**The Hon. D.J. SPEIRS:** I thank the member for Hammond for his question, knowing his firsthand knowledge and interest in the River Murray. He is the representative of a portion of that river within our state and particularly of the town of Murray Bridge, which of course has the River Murray as its defining feature. During the previous year, the state has continued to show leadership and progress in the implementation of the basin plan, which is a significant national reform in water management.

Since we formed government approximately 16 months ago, I have worked hard to repair relationships with my interstate colleagues and to break the deadlock that existed under the previous government. We have moved away from a situation where we had South Australia screaming from the sidelines (and from ice-cream shops) and achieving no additional water coming across the border from interstate to a situation where we have maturely and sensibly engaged in dialogue and cooperative discussions with our federal and interstate colleagues.

Those conversations can be challenging and will no doubt continue to be a challenge, given the multijurisdictional nature of this river. However, we are gaining momentum, There is more activity around the delivery of additional water to the river system than in many previous years. I am really pleased to see that moving forward slowly but surely. At the ministerial council meeting on 14 December 2018, it was excellent to secure in the order of \$70 million of commonwealth funds for measures to improve and support the long-term health of the iconic and internationally important Coorong and its surrounding water bodies, including Lake Albert and Lake Alexandrina.

Measures to protect environmental water in the southern basin have been assessed by the Murray-Darling Basin Authority as being in effect. These measures maximise the outcomes of water recovered for the environment without impacting on other water users. Without these measures in place, more environmental water would need to be acquired to achieve the same outcomes.

The basin plan is delivering more environmental water to South Australia: 756 gigalitres of additional environmental water was delivered to South Australia in 2018-19, in spite of extremely dry conditions upstream. It demonstrated that the Murray-Darling Basin Plan is working because without the plan in place we would not have that 756 gigalitres of additional environmental water making its way down the river system, across the border and into South Australia.

Of course, by coming into South Australia as environmental water, much of that water ends up passing along the river and into the Lower Lakes, the Coorong and the Murray Mouth at Hindmarsh Island. That water is life-sustaining water, not just for industry and the communities along the river but, critically, for our native fish, our native bird life and our amphibians, which call the Murray-Darling system, and particularly the Coorong and the Lower Lakes, their home.

Environmental water held by the Commonwealth Environmental Water Holder, one of the great reforms achieved under the development of the Murray-Darling Basin Plan, has achieved important ecological outcomes, including supporting the movement of native fish, maintaining continuous flow to the Coorong and Murray Mouth, providing water bird habitat around the Lower Lakes and water in wetlands and low-lying flood plain habitat along the River Murray corridor.

It was great to get up to look at the Pike River anabranch system a few weeks ago with the member for Chaffey and the Minister for Regional Development and look at how the pieces of infrastructure are being put in place under the Murray-Darling Basin Plan to manufacture environmental outcomes.

When I first became the minister the manufacturing of environmental outcomes was something that took a little time to accept, but once you do accept that the river is a highly manufactured environment and that you then need to subsequently manufacture the environmental outcomes, you can then begin to see the real benefit of the Murray-Darling Basin Plan in providing the funding but also the motivation and the requirement for states to get on and undertake these environmental projects.

Without water for the environment, the iconic and internationally significant Coorong would have been disconnected from the River Murray for over two years, barring one short period in 2017. I was able to adopt the River Murray Water Allocation Plan in February 2019, which amongst other things balances the sharing of water between Adelaide water users and River Murray irrigators in dry times through increased reliance on the Adelaide Desalination Plant.

We are in a dry period at the moment, Mr Chair, and you, the members for Hammond, Finnis and Kavel, as well as other members here, would be more than aware that we are in a dry period at the moment, but we are maintaining that resilience in the river system, more so than we would ever have been able to do without the plan.

I have introduced enhanced measures to assist in ensuring water is available for all water users, both irrigators and the environment, which was required to ensure compliance with the new sustainable diversion limits that came into effect from 1 July 2019. All metered water users will now need to reconcile their water accounts on a quarterly basis to ensure they have not used more water than their annual allocation permits.

The Marshall government is committed to the implementation of the basin plan, and its implementation is on track in South Australia. South Australia's three water resource plans have

been submitted to the Murray-Darling Basin Authority within the required time period. They are currently undergoing assessment by the authority. South Australia's water recovery target has been accounted for through commonwealth water buybacks, irrigation efficiency projects and our share of offsets: sustainable diversion limit supply measures.

South Australia's sustainable diversion limit projects are well advanced and on track to be completed by the basin plan deadline of June 2024. Phase 1 funding of \$2.5 million has been secured to address constraints to the delivery of high flows in the River Murray in South Australia, and that funding would not have been possible without the agreement that was obtained at the ministerial council on 14 December 2018. Over the next two years, we will focus on working with our communities and other basin jurisdictions to plan how flood plain and wetland benefits can be achieved.

Both the Premier and I will continue to work collaboratively at the upcoming Council of Australian Governments and ministerial council meetings. The ministerial council will be held next Sunday and the Council of Australian Governments side meeting will be held on 9 August. This will ensure that the plan delivers for South Australians and the basin as a whole.

**Dr CLOSE:** Turning to page 134, there is a reference to Glenthorne National Park. What are the criteria for a piece of land to be declared a national park, and who advises the minister on whether the land in question meets the criteria?

**The Hon. D.J. SPEIRS:** I am certainly always delighted to receive a question on Glenthorne and the visionary opportunity that this government of South Australia has to create Glenthorne National Park, a national park which is, of course, going to be woven into the southern suburbs, connecting land around Happy Valley Reservoir, essentially land which lies into the foothills, through Glenthorne Farm itself—208 hectares of open space—and on through O'Halloran Hill Recreation Park, an area of elevated land which overlooks both the sea and the City of Adelaide.

It then loops around into Marino Conservation Park, a unique piece of remnant coastal heath which is so important for both bird and insect life on the hill at Marino. It then heads south again through to Hallett Cove Conservation Park through to the Field River mouth, which is in itself a biodiversity hotspot where the river meets the sea at Hallett Cove beach. It then links through into the privately owned area, and there is a long-term aim to see that come into public ownership or at least to be managed privately under the same philosophy as a national park could be.

The opportunity to link all of those areas, approximately 1,500 hectares of open space, and see it woven into the southern suburbs really creates an immense opportunity to, firstly, restore and build on the existing protected spaces at O'Halloran Hill Recreation Park and Hallett Cove and Marino conservation parks, but also to connect that altogether by securing that area, which is really only open paddocks at the moment, but secure and restore that as an urban forest which is carefully connected with the community.

The real opportunity is connecting the community to that open space, getting them involved in the creation of Glenthorne National Park and getting them to help shape the master plan. That, in itself, the ability for so many people in a metropolitan context to be able to access open space, creates a criteria for national park listing. National park status requires land to be identified as having national significance, and there is nothing more significant than having a national park which is literally in the southern suburbs, accessible by hundreds of thousands of people in under half an hour's drive. That, for me, is criteria of great significance.

There are also many native species of plant which my department has identified as being in the Glenthorne precinct which are worthy of conserving, from native orchids through to species of trees. There is also the potential to reinstate the nationally listed Grey Box Woodland, which we know is such an important ecosystem but is under very significant threat.

From a birdlife point of view, I was recently told by the Friends of Glenthorne that there are at least 60 species of birds being seen in and around the Glenthorne Farm site to date, and that is before large-scale revegetation has occurred. Those species include raptors, not only the Nankeen kestrel but also the rare peregrine falcon which makes its home in the cliffs which extend to the south

of Glenthorne Farm itself, into the Field River valley, but make their way up to hunt on the Glenthorne site.

From to time, wedge-tailed eagles can be seen on this property as well. Again, that is something which I think is quite marvellous, having a raptor of the size and magnificence of a wedge-tailed eagle having enough open space to hunt and potentially make its home within an area which is within the bounds of metropolitan Adelaide. That is something, again, of national significance and positions Glenthorne National Park as being more than worthy of listing as a national park.

If you then connect that broader space through to the Happy Valley Reservoir, which may or may not be subsumed into national park boundaries in the future, and also look at those other areas of protected open space—O'Halloran Hill Recreation Park and the Marino and Hallett Cove conservation parks—you have an area that creates a substantial open space corridor, particularly useful for birdlife and insect life, extending across that landscape from the hills behind Happy Valley to the beach at Hallett Cove and Marino.

I have absolutely no doubt that the national significance of this urban landscape and its ability to connect so many people with our natural environment in a very immediate way elevates this site to national prominence. I think that has been demonstrated by the federal Coalition government, during the election campaign, offering about \$1.7 million towards the rehabilitation of Glenthorne through its ecosystem restoration fund. We have also seen additional funding come through the City Deal project to undertake restoration works at Glenthorne.

The opportunities here are immense, and it is great to have the community engaged in that. We have established the Glenthorne Partnership so that this is not a concept that is necessarily handed down by the state government or by a particular minister. The Glenthorne Partnership is a group of highly engaged local people managing this alongside the department, providing advice to me and engaging with the community through the master planning process, which was kicked off during the open days when we had some 3,500 people visit in early April this year.

The Glenthorne Partnership provides an innovative governance model for the management of national parks more broadly. This is where we have a group of local people involved in the environmental sector, involved in local government, involved in the Kaurna community, involved in nature education, involved in local schools come together to provide advice, insight and direction for the creation of this national park.

It is a once-in-a-lifetime opportunity. I think it will be viewed for generations to come as a great step forward in the liveability and climate resilience of our city, given the significant cooling effect it will have in the southern suburbs—another connection to why this is a nationally significant project that warrants national park status. It has certainly been the advice I have received from my department that this place warrants that level of protection, and I look forward to being able to move towards that status once tenure of that land is finalised in the coming months.

**Dr CLOSE:** Does the government, in fact, own Glenthorne Farm yet? If not, by what legal instrument is the government spending money on Glenthorne Farm?

**The Hon. D.J. SPEIRS:** The deputy leader's negative tone around Glenthorne does not surprise me. The Labor government does not like this idea, and they have not supported it for their 16 years in government; in fact, they let Glenthorne languish in the southern suburbs and are now doing all they can to pick holes in what is an environmentally transformational project in Adelaide's south. The Labor opposition's ongoing negativity towards this project is extremely disappointing and, I think, will go down in history.

Glenthorne Farm itself is 200 hectares of open space, and it is a complex piece of land with a complex history. It includes heritage buildings and it includes sites where scientific experimentation occurred when the property was held by the CSIRO, so a range of due diligence exercises had to be undertaken to ensure that the land can and will be transferred in a satisfactory way.

That work is ongoing. As the University of Adelaide were recently quoted as saying, for all intents and purposes this land is under the care and control of the Department for Environment and Water. A memorandum of understanding was established between the government and the University of Adelaide—between myself and the vice-chancellor, Professor Peter Rathjen—to give

ongoing access and ease of access for the government to undertake works on the site, a lot of which have been investigative works around the heritage status of buildings and ensuring building quality and that any contamination has been identified and dealt with so that there is no significant contamination on the site.

All that had to be worked through, and the department had to get significant access to the site to enable that and of course to get the community on there for the open days—not only the three open days in early April when we had those 3,500 people visit and take part in the master planning but also the ongoing access for the Friends of Glenthorne, a great group who have really continued to fly the flag through the dark days of the Labor government ignoring the site, and more recently in a very positive way as they have helped master plan through the Glenthorne partnership. They used to only be able to access the site for a couple of hours monthly but, through the memorandum of understanding providing broader access to the site through the Department for Environment and Water, that friends group are now able to do significantly more work.

It has also been good to see the demolition of some unsafe buildings on Majors Road at O'Halloran Hill and their replacement with a ranger station, which will become the southern hub for rangers looking after southern parks but also the rangers who will work on shaping Glenthorne. All this work has been facilitated through the memorandum of understanding, which was established in 2018, providing access.

There is work continuing on the conveyancing of that land to the state government, and I expect that to be completed in the coming months. The complexity of conveyancing this piece of land to the state government from what is essentially a private sector organisation but a private sector organisation that has been closely in step with the government's vision for this site should not be underestimated.

The university have continually said that their vision for the site and their hope that it can become an open space precinct has been something they have held for a period of time since realising that there was no prospect of seeing that land subdivided and developed, as was always the risk under the previous government. It has been great to work alongside the university as we slowly and methodically move towards the transfer of those 208 hectares of open space into our reserve system. I look forward to that being declared a national park, which I think will be an historic occasion, later this year.

**Dr CLOSE:** Is there a grant agreement in place to facilitate the funding of the on-ground works?

**The Hon. D.J. SPEIRS:** No, the memorandum of understanding will suffice for access. There has not been a huge amount of money spent on the site in terms of works. Most of the work undertaken has been investigative in nature: surveying the site, looking at the hydrology of the site, looking at the way the natural creek line extends between dams, looking at where CSIRO activity was undertaken over many years and ensuring that there is not contamination on that site. It is good that those results have come back showing that there is not. There have been assessments done of the heritage buildings. There is a considerable number of heritage buildings on the site that were established during the time of Thomas O'Halloran, the significant figure within South Australia's history who established Glenthorne in the late 1830s.

It is prudent for any entity—be it a government entity, a not-for-profit entity, a private entity or even an individual—taking on a site, to undertake appropriate inspections. When we purchase a home, most of us would undertake a building inspection; and that is exactly what this thorough approach has been taken by the government over the last year or so. Working through, the EPA and the heritage branch have been involved. Even the Botanic Garden have looked at some of the plant species on there to make sure that what we are inheriting, when that comes into the reserve system, is sensible for government to take on and can be managed appropriately.

It is worth saying that there have been no surprises with that. In fact, there have been no real concerns at all. The vast majority of funds spent on the site have really just been for securing the site, undertaking those investigations and putting on that temporary ranger facility at Majors Road at O'Halloran Hill. If for some reason—and I do not foresee this at all, in fact, as minister I will not allow it to happen—that land did not come into the reserve system, the temporary ranger site could be

removed from O'Halloran Hill, quite easily loaded up onto the back of the truck and taken away. It is a transportable site, so there are no permanent facilities on there yet; but there have been a range of investigations to make sure government is doing its due diligence before inheriting the site.

**Dr CLOSE:** Continuing on page 134, the dot point that refers to the reservoirs being opened for new recreation facilities, will the minister publicly release all the task force reports that he has received relating to opening reservoirs?

**The Hon. D.J. SPEIRS:** I am able to make a range of documents available. I made a document, which went through the health modelling, available to the ABC who had asked for it. I am happy to make that document available. That is the document that was commissioned by SA Health in relation to the opening of the reservoirs.

I think this project is a really exciting project for South Australians. It was great to see the write-up in *The Advertiser* this morning, which outlined the next big tranche of works occurring for reservoirs across the state. We have seen incredible success at Myponga Reservoir with the reinvigoration of that town, just a short drive south of Adelaide, as a consequence of the opening up of the reservoir—and it is merely the opening up of the reservoir land at Myponga for walking and cycling trails. The visitation to that town sits in the hundreds every week. Of course, those people do not just visit the reservoir for a walk around. They have a pie or a pasty in the bakery, they stop at the brewery just to the north of the reservoir, and they are taking part in an economic stimulus activity in that little regional town.

I know the member for Finniss has visited a couple of times with me and has probably enjoyed a pie or a pasty himself at the Myponga bakery. I always do because I am intentional about stimulating that town's economy. This is the opportunity from this project: getting more South Australians out and about into the great outdoors, enjoying nature, getting out with their family and their friends and also visiting regional locations because most of the reservoirs that we have slated for opening are within the regional context. We have made an announcement that there will be expanded activities at Warren and Bundaleer, and we are opening up South Para Reservoir, just out of Kersbrook in the Adelaide Hills, and, of course, Myponga.

These reservoirs tend to have a destination town fairly close to them and those towns will see a significant economic uplift as this opportunity is unfolded in a methodical, careful way, as outlined in the SA Health report, which is not without due haste, but socialises the community bit by bit with these reservoir environments and carefully brings people into these precincts and educates them about what is appropriate and what is not in a reservoir context, having the appropriate reservoir rangers in force, having CCTV and gates, where appropriate, and continuing to rely on advice from SA Health. Dr David Cunliffe, in particular, a foremost expert in water quality not only in this state but in this nation—if not internationally—is providing that direct advice to the task force.

That is something that I am at significant arm's length from to ensure that the decisions are not made as to what can and will occur in a reservoir precinct before the advice of SA Health is provided alongside the advice of SA Water, in a practical operational sense, and this will then be worked through by the task force before the particular activities are allowed. I am more than happy to make public those reports, if they are not already.

**Dr CLOSE:** What advice did the task force give the minister on what could occur, what risks could be run, at Myponga if people went into the water as opposed to staying out of it?

**The Hon. D.J. SPEIRS:** The task force's advice, which is the advice of SA Health, demonstrates that, like with anything in life, if you do something different, there will be risks associated with it, but you have to mitigate those risks accordingly. I have a letter from Dr David Cunliffe, which I am happy to provide to the deputy leader, which shows that it is the expert view of SA Health that any activity undertaken and permissible to date in the reservoir environment at Myponga is within easily controllable risk management. Everything you do in life has risks associated with it, but it is about mitigating those risks. If I cross North Terrace, there is a risk, but I mitigate the risk by looking both ways and not snapchatting while crossing the road.

**Mr CREGAN:** That is very sensible.

**The Hon. D.J. SPEIRS:** Very sensible. There are lots and lots of things that have risks, and opening reservoirs does have a small level of risk associated with it; however, you mitigate those risks and you do that by following SA Health's modelling and having internationally renowned water quality experts provide you with that advice. We have Dr David Cunliffe and his team in South Australia. We are very fortunate to have him present within our state.

We follow SA Health's advice and insight very closely. They are continually reviewing their advice and they have said that we will be able to have shore-based fishing at Myponga from late 2019. What a great opportunity, heading into summer: more people visiting Myponga. It is a particularly safe place to fish, safer than doing it at the beach. We will have more kids, grandkids, parents taking kids down there, drawing—I do not know if you draw; I know nothing about fishing, to be honest—throwing a rod in the water, or whatever you do.

**Dr CLOSE:** With fishing, it is a line.

**Mr PEDERICK:** You throw the rod when you are frustrated!

**The CHAIR:** Cast a rod, minister.

**The Hon. D.J. SPEIRS:** Well, *The Advertiser's* headline said something about reservoir rods. I have never fished in my life, but I am sure it is good if you like it. We will have people being about to catch fish or throw them back in or whatever you do. The opportunity here to expand these recreational precincts is really good. We are excited about seeing that not only at Myponga but also at Warren, Bundaleer and South Para. We stocked South Para with 180,000 fingerlings a few months ago and I think that will become a destination fishing precinct in the coming months as well.

**Dr CLOSE:** The task force, presumably, gave advice on what not to do as well as what was, in their view, acceptable to do. What was the advice that related to going into the water at Myponga?

**The Hon. D.J. SPEIRS:** We are not—

**Dr CLOSE:** I appreciate that.

**The Hon. D.J. SPEIRS:** We do not encourage swimming.

**Dr CLOSE:** But if someone were to swim, what would be the possible consequences?

**The Hon. D.J. SPEIRS:** The risk of someone swimming and consequences from that are also extremely low. In fact, all the advice that we have relied on has been very conservative. SA Health has taken a conservative approach to this. Of course, there is a fairly established view that having people in and around the reservoir precinct actually reduces risk overall because of passive surveillance.

I have come across an unquantifiable number of people who have said to me that they are disappointed that Myponga is open because now they cannot go and secretly swim and fish as they did before. It is well known that people would be used to accessing our reservoirs in a way that perhaps they should not have done, particularly on hot summer evenings down at Myponga.

That is now much more difficult because there are many more sets of eyes in and around the reservoir than there was before. I cannot recall the specifics of what the advice said not to do, and I do not think we necessarily got a list of activities that are not allowed. What we do have is a list of what can be done and what the risk management framework should be in order to minimise the risk to water quality.

Of course, as the deputy leader knows, the best way to really minimise all risk at Myponga Reservoir is the installation of a UV treatment plant, something that was scheduled and workshopped long before the opening of reservoirs was canvassed. The reason for that was that the Myponga Reservoir is what is known as a compromised catchment. It is largely compromised by the presence of a substantial amount of dairy farming in the region, and it is likely that all cases of water quality concern in Myponga Reservoir in recent times have been as a consequence of dairy activity within that catchment.

That has all been manageable to date, but in 2019 heading into 2020, what we want is to have the best possible treatment facilities at all our reservoirs, and we know that UV treatment is

something that will provide that top level of protection. When UV treatment is introduced at Myponga Reservoir, likely to be sometime in the next year to two years, that will enable a whole range of further activities to be done on that reservoir.

I do not think you would ever be encouraging people to swim in a reservoir context because it is just not a pleasant experience, but what people will be able to do on Myponga once that UV treatment plant is in place is kayaking, paddleboarding and more extensive fishing activities. I saw one thing canvassed that you could even have abseiling down the dam wall. I am not sure if that was canvassed by a member of the public or someone within the department or SA Water, but that was something that was put out there that could even be a possibility once this new water treatment plant is put in place in the next couple of years.

At the moment, we are socialising people to the environment, we are giving them the opportunity to walk around the reservoir, and also the shore-based fishing from later this year, all backed up by SA Health saying that these are appropriate, sensible projects, initiatives and activities that are available to the public with the right risk management framework in place, a framework that SA Health says is very clearly in place and can be managed into the future.

**Dr CLOSE:** In one to two years there will be a UV plant at Myponga which will then allow the government to choose to allow more on water activity, so presumably the UV plant is necessary to make that acceptable. Until then, the people who are at the reservoir are simply relied upon not to go into the water at all because there is no UV plant.

**The Hon. D.J. SPEIRS:** We rely on people to do the right thing a lot in life. We rely on people on catastrophic bushfire days not to light fires in our national parks. If they do, there could be very bad consequences both for them and the wider community. Life—well, the life that I inhabit—requires people to do the right thing and to make judgements in line with social norms and what is legal and appropriate in South Australia in 2019.

In the next couple of years, when there is a UV plant in place as part of a prescheduled upgrade at Myponga because of the compromised catchment with the dairy farming, when that happens the government will be very keen to encourage and facilitate—and potentially private business will facilitate—access to our reservoirs. It will continue to stimulate economic activity in those regions. I think Myponga in the future is going to be an absolutely thriving town because of this policy. I think the community fear the election of a Labor government, which will close this reservoir down. I think that is incredibly disappointing.

We know that people will do the right thing. We have the appropriate risk mitigation strategy in place. It is a conservative risk mitigation strategy. It would take a large number of things to be breached at the same time for water quality to be compromised. It is my view and it is the view of SA Health that this is extremely unlikely. The risk is appropriately managed, and the opening of our reservoirs in a methodical, cautious way is something that can be done and is being undertaken.

**Dr CLOSE:** Further down the page on page 134, there is a reference to 'develop a program of works, in consultation with Friends of Parks'. How is the strike going with the Friends of Parks?

**The Hon. D.J. SPEIRS:** How is the strike going?

**Dr CLOSE:** Yes.

**The Hon. D.J. SPEIRS:** You might have to ask them that, deputy leader.

**Dr CLOSE:** Are you not aware of the absence of Friends of Parks working on the ground in national parks, particularly in Flinders Chase?

**The Hon. D.J. SPEIRS:** I understand that some Friends of Parks—and I believe they are largely, if not completely, isolated to Kangaroo Island—chose to down tools, so to speak, as a consequence of the previous government's project to put high-end accommodation into the Flinders Chase National Park. The deputy leader would be aware that, under the previous minister, minister Hunter, and the member for Mawson, minister Bignell, at the time, a tender was put out seeking private organisations who wanted to create accommodation opportunities within the Flinders Chase National Park, essentially leveraging off the previous government's investment—a worthy investment, I might add—in the creation of the Kangaroo Island Wilderness Trail.

I think it is fair to say that the way the previous government handled that process in terms of not engaging the friends groups up-front and involving them in the shaping of what that accommodation offering might look like certainly got those friends groups considerably offside. That is a great pity because my department could not function without friends groups. They do so much to enhance the natural environment. They extend the capacity of rangers. Remembering that the previous government gutted the rangers workforce, we need friends groups more than ever. We are rebuilding that workforce, but they cannot do it all themselves.

The presence of friends groups in our parks and reserves really does extend the environmental restoration capacity. Dealing with weeds and the planting and revegetation is all core business of these friends groups. Of course, they also contribute to the wellbeing of people living in the community because they are connecting people, building a sense of community and, as a consequence, wellbeing, so I am very keen to continue to support friends groups wherever possible.

One of the reasons I am the environment minister today is because I founded a friends group in Hallett Cove with some neighbours in 2006. That sort of let me into community service and, subsequently, standing for election. Friends groups mean a huge amount to me as the minister. We are going to continue to support them and build up their prominence in our reserve system, giving them support.

I fully expect some of our volunteer rangers to be members of friends groups. They are invaluable, but they must be engaged with and their views must be sought. That is what the previous government did not do with regard to Flinders Chase National Park. It got those groups offside, and it is fair to say that they are still offside—and I can see why.

We have worked hard to reduce the size and the scope of that project, as initiated under the previous government. We have achieved a reduction in the scope and a reduction in the environmental impact, but some of the friends groups and some individuals within the friends groups still feel aggrieved. I think it is a great shame, given that, in a couple of months' time, it will be the hundredth anniversary of Flinders Chase National Park. It really is an iconic national park, not only in the context of Kangaroo Island but also in the broader context of South Australia and Australia's reserve system.

I hope that the friends groups will be able to catch up with me in due course. I have met representatives of the friends groups several times to talk about this project and how we can satisfy them that the right thing is being done. I hate passing the buck and saying, 'I inherited this shambles from the previous government,' but, quite simply, I did.

**Dr CLOSE:** I appreciate that this question may need to be taken on notice, but can the minister provide, for each of the last five years, the number of people who are in Friends of Parks?

**The Hon. D.J. SPEIRS:** I will have to take that question on notice. I am not sure it is data that the department can provide in a formal sense. A lot of the work of Friends of Parks occurs on quite an informal basis. I know that, of the friends groups that I have associations with through personal interest or through electorate activities, some of them have formal memberships while others have members who come and go on an as-needs and social basis. I can certainly look into that and try to get a number. Mr Schutz, do you have any further advice on that and whether we collect that data?

**Mr SCHUTZ:** I would agree with the minister's comments. Depending on how you determine the scope of friends groups, they can be different things. We can certainly provide the data that we have, but I suspect that that might not be completely representative of all the friends groups and members across the state.

**Dr CLOSE:** I understand; do whatever you can do. To return to the rangers, the minister said earlier that there are some rangers who had previously been construction and maintenance workers. I think eight of those have now taken up the role of ranger. What has happened to the positions and work that those people were previously doing? Have they been replaced with additional construction and maintenance workers?

**The Hon. D.J. SPEIRS:** I will ask the chief executive to answer this question.

**Mr SCHUTZ:** In some cases yes, and in other cases no. There is quite an overlap between what we call base-grade rangers and construction and maintenance workers, particularly in some of our regional locations where they do exactly the same work. It is more about conditions of employment, flexibility of work arrangements and career paths, so in some cases they would continue to do some of those duties while they are being provided with new opportunities. In other situations, we may well have found alternative means to deliver those services that they might have been doing at a very basic level.

I can say that, in the Adelaide and Mount Lofty Ranges region, we have had a very active program, using Correctional Services individuals in some of our parks to help maintain some of our visitor facilities, such as toilets, barbecues and picnic areas. That has proven very beneficial. It allows some of our paid staff to then engage in higher value work in regard to the parks themselves, such as conservation work and working with community and volunteer groups. So it just depends where, and there is not a single answer to that.

**Dr CLOSE:** I understand. Perhaps the minister could take on notice, for each of those eight people who changed titles, what has happened behind the position that they were in.

**The Hon. D.J. SPEIRS:** I am happy to take that on notice.

**Dr CLOSE:** I appreciate it. On page 135, there is a reference to a once-off payment for voluntary separation packages for 2018-19. Were all the TVSPs and VSPs the minister referred to earlier in this session paid for by the department or were some paid for by Treasury; in which case, why?

**The Hon. D.J. SPEIRS:** They were all paid by Treasury. That would be the case for the vast majority of targeted voluntary separation packages across government since the 2018-19 budget was handed down in September last year. The Treasurer announced a central fund to support line agencies with the transition of their workforces, so all the departments' separation packages were paid for centrally.

**Dr CLOSE:** In that case, perhaps the minister could explain the reference to the once-off payment of voluntary separation packages in 2018-19 as being an explanation of significant movement?

**The Hon. D.J. SPEIRS:** Where is that, deputy leader?

**Dr CLOSE:** In the middle of page 135, between the two tables.

**The Hon. D.J. SPEIRS:** I will ask Mr O'Brien to answer that.

**Mr O'BRIEN:** Through the Chair, the payment has come into the department during the year, which has inflated our budget figures, and that in itself has then created a variance to the following year.

**Dr CLOSE:** Easy. Thank you.

**Mr CREGAN:** Minister, can I take you to Budget Paper 4, Volume 2, Agency Statements, page 141, program 3. Can you outline for the committee how the biodiversity credit exchange will operate and its impact on landowners?

**The Hon. D.J. SPEIRS:** I certainly can, member for Kavel. I think you will be very interested by the biodiversity credit exchange scheme, which has been established by the Native Vegetation Council and I think has been a particularly innovative use of the native Vegetation Council's insight and support that it gives the government. I think native vegetation is something that is so important for the resilience of our landscape. Not only is it critical habitat; it is also an important carbon sink in a time in our humanity's history when carbon sinks are needed more than ever.

The preservation and stewardship of native vegetation in South Australia's landscape is a critical part of effective and responsible environmental management. I have been delighted to work alongside the Native Vegetation Council—the chairman is Emily Jenke—and other members of that council since I became the minister last year and to talk to them. I do talk to them regularly about the practical projects that they are undertaking to support landholders and those who have native vegetation and those who have a need to clear native vegetation for usually an economic project.

The Native Vegetation Council is looking to support those groups and provide them with the tools with which they can manage native vegetation and contribute to our native vegetation stocks in this state in a really positive, proactive and innovative way.

The development and establishment of the biodiversity credit offsets scheme under the Native Vegetation Act 1991 is a unique way regional landholders can access funding associated with developments in their region. When developers require to clear native vegetation, there is usually a need to offset this loss. Industry has expressed a preference in purchasing credits that have a tangible benefit to local landholders so that they can demonstrate in a very immediate and distinct way how their particular clearance is offset and can at least balance if not enhance the local environment.

Enhancing would certainly be in the longer term, but in a society and an age where corporate responsibility is increasingly desired by members of the community, by stakeholders and by shareholders, the ability to point in a very tangible way to the offsets being obtained and developed as a result of a clearance somewhere nearby is very important and means a lot to the brand and sustainability of many of these organisations.

**Mr CREGAN:** Thank you.

**The Hon. D.J. SPEIRS:** I have not finished.

**Mr CREGAN:** Excellent.

**The Hon. D.J. SPEIRS:** I was just taking a drink of water. I am not even halfway through my notes yet.

**Mr CREGAN:** Brilliant. That is the kind of detail I was looking for.

**The Hon. D.J. SPEIRS:** I know you are thrilled about this, member for Kavel. You might be able to share this with some of your constituents because I find that a lot of people do not yet know about this project, and it is certainly important for us to communicate it as local members of parliament. My regional colleagues often come to me with native vegetation challenges.

To accelerate the establishment of a market in South Australia, the Native Vegetation Council through the Department for Environment and Water has begun this program, which we have called the Biodiversity Credit Exchange, which provides incentives to landholders to establish credit sites on their land. The Native Vegetation Council has endorsed the use of the Native Vegetation Fund to pay landholders up-front for on-ground works to achieve a biodiversity credit. This credit will then be sold at cost to clearance proponents, and the Native Vegetation Fund reimbursed through the sale, creating a revolving fund for further works.

My department is working closely with landholders in target areas, initially the South Australian Arid Lands and the Northern and Yorke regions, to assess their sites and determine the credit that their land may generate for clearance proponents such as solar farm developers and the petroleum and mining industries. We are seeing more and more the quite challenging situation emerge where a solar project, which is so important for clean, green climate industries, because of the nature of the solar farms, needs to undertake quite large clearances. There is almost a perversity in that. The proponents of solar projects are very keen to get these offset projects in an immediate region so that they can point in a very tangible way to what they are doing to offset the native vegetation losses which are a result of their activities.

Landholders will undertake on-ground action such as pest, plant and animal control, stock exclusion activities such as fencing and, in some cases, revegetation works. This work will improve the condition of properties and inject new investment for restoring our landscapes. Landholders will enter into an agreement that will require them to manage the land over time to generate biodiversity credits. The outcome will be a pool of credit available to all developers. This central pool streamlines approvals for developers and industry and allows them to efficiently satisfy their obligations while benefiting the local landholder.

Above and beyond the provision of a market for South Australia, the Biodiversity Credit Exchange will contribute to our back-to-basics approach through tackling pest animals, weeds and soil erosion while building stronger connections between regional development and regional

communities. I would like to take this opportunity to thank the Native Vegetation Council for their pioneering of this innovative solution.

**Mr CREGAN:** Thank you for your very fulsome answer.

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

**Dr CLOSE:** At page 137, the River Murray, when will there be a response to the royal commission, minister?

**The Hon. D.J. SPEIRS:** Since receiving the royal commission at the end of January 2019, the government has been working through a response and has been considering both the findings of South Australia's royal commission and the Productivity Commission report that was required under legislation to investigate and report on progress and, I guess, the overall quality of the Murray-Darling Basin Plan and the work of the authority.

Members would be aware that following the release of the report the Premier wrote to the Prime Minister seeking a meeting of basin first ministers to look into the comments, recommendations and findings of the royal commission. Because of caretaker periods and New South Wales rolling into the federal election, it was hard to get that meeting of first ministers.

We deemed this necessary because, unlike other independent reports to government, very few of the recommendations contained in the royal commission or the Productivity Commission's report are in South Australia's remit to implement alone, and cross jurisdiction buy-in is required. This is something that the Premier and I identified.

The Council of Australian Governments is scheduled to meet on 9 August 2019—so towards the end of next week—and the Murray-Darling Basin Royal Commission report is listed for discussion amongst basin first ministers. Once that meeting has been held and the findings analysed by first ministers, the South Australian state government will be in a better position to release our response to the South Australian royal commission.

**Dr CLOSE:** Minister, is it acceptable to ask about the report that South Australia is undertaking on the use of the desalination plant here, or would you prefer that in the SA Water section?

**The Hon. D.J. SPEIRS:** I think here, yes.

**Dr CLOSE:** In that case, what is the progress of that investigation?

**The Hon. D.J. SPEIRS:** That investigation is being finalised at the moment. It is very close to completion. For context, I think it is important to say that, as much an act of goodwill as anything else, South Australia agreed (and it was funded by the Murray-Darling Basin Authority) to take a good look at whether it would be worthwhile operating the desalination plant as a potential offset to the River Murray water take; for example, returning water to the river.

The desal plant study was undertaken by an independent organisation—Aurecon, I think they are called—with support from both SA Water, the owners and operators of the desalination plant, as well as the Department for Environment and Water. We have always been very clear that South Australia had little interest in operating the desalination plant as a River Murray offset if it did not make sense financially to do so, and we know that it would not make sense financially to do so by our state alone. It might stack up—and that is 'might' underlined and in bold—if supported federally, but the findings of the project will be released in the coming weeks.

**Dr CLOSE:** Regarding the \$70 million referred to under the second dot point for measures to support the long-term health of the Coorong and Lower Lakes, in the communiqué of the ministerial council that was described as remaining unspent South Australian state priority project funds of around \$70 million that would be quarantined for measures to support the long-term health of the Coorong. What alternative projects were being considered prior to the decision that it would be the Coorong that would receive South Australia's existing \$70 million?

**The Hon. D.J. SPEIRS:** I do not think any projects were being considered. That was one of the surprises when I became the minister, that no projects had actually been pitched by the previous minister or the previous government to take up this money, or none had been pitched to the federal

government. I am unaware if, under the previous government, other projects were being worked up, but there did not appear to be anything.

That is why I certainly deemed this money to be money that we would otherwise not have got. In fact, there was commentary at the time by other administrations interstate and federally that that money might not even be secure because South Australia had not put its hand up historically to take that money. It might have just been ring-fenced for evermore.

When I became the minister, I identified that the Coorong was a particular site of state significance under particular stress because of dry conditions, and that there was a real opportunity here to secure \$70 million of funding to undertake conservation and scientific works in particular and investigative works to secure and sustain the health and resilience of the Coorong. We know that is such a significant Ramsar-listed wetland. It is internationally significant.

It is an international destination for birdlife and one that is also important for ecotourism and the resilience and health of communities around the Lower Lakes and towns like Meningie through to Goolwa. I know this project will take several years, if not longer, to roll out in full, but it really has the capacity to create a high level of resilience and strength in that unique natural environment.

**Dr CLOSE:** But the money had sat in the South Australian state priority project allocation from the federal government prior to the decision to allocate it to the Coorong.

**The Hon. D.J. SPEIRS:** Yes, it had.

**Dr CLOSE:** When the COAG discussion occurs at the end of next week, how long will the session be in which the Murray-Darling Basin will be discussed?

**The Hon. D.J. SPEIRS:** I am unaware of how long that will be. That question would have to be put to the Premier.

**Dr CLOSE:** There will presumably be the same answer to this question. Does this minister have access to the agenda or is it simply that the royal commission will be discussed?

**The Hon. D.J. SPEIRS:** I do not yet have access to the agenda.

**Dr CLOSE:** With the existence of additional socio-economic criteria that were not in the Murray-Darling Basin Plan, when did the department change its position on the wisdom of having additional criteria that projects would need to meet as part of the 450 gegalitres?

**The Hon. D.J. SPEIRS:** It was not a case of additional criteria. There were no criteria at all under the plan.

**Dr CLOSE:** And there are now, so that would suggest—

**The Hon. D.J. SPEIRS:** Well, it was not possible to advance the plan without some sort of test and criteria being put in place. It was just an impossibility, and I think it was always foreseen that criteria of some sort would have to be established. As a consequence of the meeting on 14 December 2018, the criteria were established. Much of that criteria was very dull and low-hanging fruit. I have been through it many times with a fine-tooth comb canvassing issues such as community engagement and taking into consideration environmental, social and economic impacts.

The criteria has historically been quite easy to fulfil in South Australia's Riverland, and there is absolutely no reason why that criteria cannot be fulfilled in the context of other jurisdictions as well. We are seeing progress towards that. We are seeing projects out to tender in Victoria, something that before the ministerial council would have been seen as pie in the sky. The state of Victoria is now working through these projects, saying to their communities, 'Do you have potential projects to put forward as efficiency projects that can then access money?'

I am continually saying to my colleagues interstate, 'Come to South Australia. Come and look and see what we have done in the Riverland.' Not only have we returned water to the environment but we have also in some cases, if not maintained a neutral economic position, actually expanded productivity using far less water. South Australia's Riverland provides the case study as to how these projects can be done and done well, and can be done using the economic and social criteria test that has been put into the plan.

At the ministerial council, I had a choice to negotiate and work through those items and create a test with the other states because in my view a test was foreseen under the plan, or we could have seen New South Wales and Victoria walk away from the plan.

**Mr BASHAM:** I refer the committee to Budget Paper 4, Volume 2, page 133. Will the minister outline for the committee the Department for Environment and Water's commitment to expand visitor experiences in the state, in particular, the redevelopment of the Deep Creek Conservation Park and the Heysen Trail as part of the Great Southern Ocean Walk initiative?

**The Hon. D.J. SPEIRS:** The development of nature-based tourism activities and attractions within our national parks is something that was initiated by the previous government and is being driven forward by the current administration. We think that our national parks—as I said earlier in this session, some 21 per cent of our state—give us an incredible opportunity to draw people to South Australia, to enjoy those parks, to experience them and to share the natural wonders that they have to offer.

We will continue to sensitively look for projects that will, in my view, often have a conservation dividend attached to them. If a private sector organisation is working to create an experience within the context of a national park, it is important that those projects are seen by their communities to deliver a conservation dividend of some sort of uplift in terms of the vegetation, pest control and natural experience within those parks.

These projects sometimes can occur fairly organically with existing buildings and things like that. On other occasions, they will require enabling infrastructure to be provided by the government. We saw that, and I do applaud the previous government for undertaking the planning and implementation work around the Kangaroo Island Wilderness Trail. We have seen that project flourish.

I understand that for every visitor who completes the Kangaroo Island Wilderness Trail, which is a multiday walk, they spend an extra two nights, on average, doing other things on the island not associated with the Kangaroo Island Wilderness Trail. That means an extra two nights in other accommodation and an extra two days' worth of meals, buying gifts and souvenirs, travelling around the island and employing guides. That is the sort of work that we want to encourage and the sort of economic input that we want to see occur across South Australia. Notwithstanding the challenges the Kangaroo Island Wilderness Trail project has had in recent times, I am very hopeful we can learn from that and leverage other experiences.

One of those experiences that was included in the 2019-20 state budget was the development of a multiday walk to activate and bring to life the Heysen Trail between Cape Jervis and Victor Harbor and create an experience which we want to be called the Great Southern Ocean Walk, keeping the character, branding and the significance of the Heysen Trail in place but essentially retrofitting a multiday walk for that first section of the trail. This is a project that has bubbled out of the community. It has not been a project that has necessarily been handed down by government.

It is a project that was initiated by the community, largely a community group under the auspices of the District Council of Yankalilla and the leadership there of Mayor Glen Rowlands, but also local business people, accommodation providers, guided walk providers and the like who have come on board and said let's actually drive forward the activation of this section of the Heysen Trail. The landscape is incredible. It moves through a couple of conservation parks, being Deep Creek Conservation Park and Newland Head Conservation Park, both with active friends groups who will be engaging continually throughout this process, again, to ensure that we do not end up with a similar situation that has unfolded on Kangaroo Island.

The opportunity to bring this trail to life is really substantial. It will involve a \$6 million upgrade of the trail, better signage, branding, better toilet facilities, campgrounds, really looking at what we did on the Kangaroo Island Wilderness Trail, which is a fairly high-end experience in terms of the quality of the campsites and toilets and doing something very similar over on the mainland, which is obviously more accessible in a broader sense than the Kangaroo Island trail.

Regarding accessibility, it is also worth mentioning that this trail is also going to have a destination within it that has a high level of accessibility for people who are using wheelchairs and need assistance with walking. That is something quite unique. This is going to be a wilderness

experience but one that people can gain access to. That is something that I am really proud to develop alongside the community and work with my department to see unfold. I think that in itself can become a tourism destination but, more than that, we can really be very proud as a state that we have accessibility built into one of our premier walking trails.

It will take two or three years to develop this project. Work will begin fairly soon, but over the coming weeks and months we will be engaging very heavily with that group out of the District Council of Yankalilla as to what this will look like and how the council can be involved. The council is a great and willing partner and the City of Victor Harbor, likewise, is also likely to be involved in some way along the way. It is a good project. I know that the member Finnis has a particular interest in it, and it will be great to continue to update members as that unfolds in the coming months and years.

**Dr CLOSE:** I refer you to page 138, the management of groundwater. What is the status of the review of the science behind the South-East groundwater allocation?

**The Hon. D.J. SPEIRS:** Members would be aware that there has been considerable debate, concern and conjecture amongst landowners in the South-East of our state in relation to the Lower Limestone Coast Water Allocation Plan. When we were in opposition, we said that we would put on hold further reductions to allocations under the water allocation plan while an independent review of the science underpinning the reductions was conducted.

In early March 2019, I received the findings of the science review, led by an independent panel of scientists from the Goyder Institute for Water Research from the South-East natural resources management board, and I approved its release to the stakeholder advisory group on 12 March 2019. I understand the natural resources management board has now completed a risk assessment with stakeholders and experts, which is now in the very start final stages of peer review. Once this work is finalised, the findings from the science review, the risk assessment and feedback from the stakeholder advisory group and the board will inform my decision as to whether further reductions to allocations are required.

The Goyder panel's report states that a substantial body of scientific work has been conducted on the groundwater resources of the Lower Limestone Coast Prescribed Wells Area and that underpins the water allocation planning. The panel described that while water tables were declining in the Lower Limestone Coast at the time the water allocation was completed, there has been recovery in a number of management areas since then, really underlining the importance of this science being continually reviewed and done so in order to instill confidence into the process from landowners and stakeholders because, of course, it is their livelihoods that are at stake if decisions are made based on the wrong scientific information.

The panel concluded that this recovery is variable across the Lower Limestone Coast and that in some management areas where reductions were placed on hold, declining water tables could still pose a risk to irrigators, stock and domestic water users and high-value environmental wetlands.

**The CHAIR:** Minister, unfortunately time has expired.

**The Hon. D.J. SPEIRS:** I am devastated.

**The CHAIR:** No doubt you are. There being no further questions, I declare the examination of the proposed payment for the portfolio Department for Environment and Water completed.

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

## **DEPARTMENT FOR ENERGY AND MINING, \$92,694,000**

### **Departmental Advisers:**

Mr A. Fletcher, Chair, SA Water Board.

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

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

**The CHAIR:** If we can please recommence with the portfolio of SA Water. The minister appearing is the Minister for Environment and Water. Estimate of payments for the Department for Environment and Water, administered items for the Department for Environment and Water and the Department for Energy and Mining. I declare the proposed payments open for examination and refer members to the Agency Statements, Volume 2. Minister, if you could advise the change of your advisers and make an opening statement if you wish.

**The Hon. D.J. SPEIRS:** I would like to introduce the agency officers assisting me here today: to my right we have Mr Andrew Fletcher AO, Chair of the SA Water Board; to my left is Mr Jamie Hollamby, General Manager of Business Services; and Mr Darren Percevault, Senior Manager of Finance. I would like to thank the team here with me, as well as staff from SA Water who have put significant time and effort into preparing the budget as well as the briefings used for estimates. This is no small task and I commend the agency for their hard work and dedication.

SA Water reliably delivers safe, clean drinking water, sewerage services and recycled water to more than 1.7 million South Australians every day of every year and is committed to ensuring that these services represent excellent value to all who benefit from them. SA Water strives to be a leader in innovation and technology while ensuring their customers remain at the heart of everything that they do and that they are delivering solutions that are important to their customers.

The 2018-19 year has seen a number of successful achievements for SA Water in several areas. Each year, SA Water administers a diverse range of large capital projects across South Australia. In 2018-19, some of these important projects include: water quality and supply improvements to the townships of Orroroo in the state's Mid North, and Warooka and Point Turton on Yorke Peninsula; stage 1 of the Mount Barker development supply scheme; additional capacity for Barossa Infrastructure Limited; new and improved water storage at the Morgan Water Treatment Plant and the Tailum Bend to Keith pipeline; and wastewater treatment projects, including continuing upgrades to the Bolivar wastewater plant, which was constructed in 1965 and processes the greater percentage of metropolitan Adelaide's raw sewage. Upgrades to this plant ensure a secure network that complies with SA Water standards and government network requirements.

Other projects include upgrading capacity for the Port Lincoln wastewater networks, allowing for growth and improved operations for the region's seafood industry; expanding the North LeFevre wastewater pump station pipeline, accommodating local network growth forecasts, and reducing overflow and odour risk; capital projects for SA Water's dams, guaranteeing compliance with the guidelines set by the Australian National Committee on Large Dams for the Kangaroo Creek Dam, the Mount Bold Dam and the Baroota Dam; and working in collaboration with the Department of Planning, Transport and Infrastructure to ensure the operational integrity of SA Water assets in and around DPTI's Northern Connector project.

Another ambitious project that SA Water is successfully expanding is its Smart Network program. This project is part of a broad program of work to improve customer experience and demonstrates smart investment. Initially delivered in December 2017, this initiative saw the introduction of new technologies, an effective smart water network for the Adelaide CBD and other areas. This technology has been proven by water utilities around the world, with SA Water being one of the first Australian water utilities to adopt it on this scale. Benefits include minimising disruption caused to customers and the wider community by water main breaks as well as an increased understanding of pipe network performance, leading to increasing asset life.

The CBD project, delivered over two phases, has enabled SA Water to make more informed, short and long-term network operation and asset management decisions that will ultimately deliver customers a better water service. The recent completion of stage 3, announced in early July, marks a milestone for this program and realises the successful installation of water, wastewater and odour sensors across select regional and metropolitan sites, including Athelstone, North Adelaide, Penneshaw and Port Lincoln areas, as well as into two wastewater networks in Stonyfell and Gawler.

As members of this committee would be well aware, South Australian households and businesses have been experiencing growing and more volatile electricity prices over recent years. SA Water is one of the state's largest electricity users, consuming 350 gigawatt hours in 2017-18.

SA Water has placed itself in a strong position in achieving its penultimate goal of reducing its net energy costs to zero through its Zero Cost Energy Future project, which will fundamentally change SA Water's electricity cost structure to enable the delivery of lower and more stable prices to its customers, provide stimulus to local companies throughout the regions and improve the resilience of its networks during energy market disturbances.

SA Water aims to reduce its net energy costs to zero from 2020-21 through the installation of solar panels and storage across multiple sites, along with other energy management initiatives. This initiative is in line with this government's commitment to easing cost-of-living pressures and is the single largest way that SA Water can reduce its operating costs to deliver sustainable savings, as well as a low and stable price path for its customers.

With customer engagement as a central focus, SA Water launched its customer engagement process in 2017 for the next regulatory period from 2020 to 2024. SA Water is required to submit a regulatory proposal, Our Plan 2020, to ESCOSA, which will outline how SA Water proposes to operate and deliver services over these next four years. Customer feedback through engagement is a primary consideration in developing Our Plan 2020.

I am advised that customers have had opportunities to feed into this important process through online surveys, online platforms, focus groups and other face-to-face activities. Customers are encouraged to voice what is important to them, whether they would support initiatives or not. Customer opinion is at the forefront of SA Water's planning for the next regulatory period 2020 to 2024, while fulfilling all regulatory and legal requirements.

South Australians rely on SA Water's services every hour of every day, through a range of interactions. These may be as simple as providing clean, safe water to residential customers, through to working arrangements with large commercial and agricultural water consumers, all of whom benefit from the quality services that SA Water provides.

In addition to an extensive list of capital works that are currently underway to continually improve the services that SA Water provides to South Australians, the corporation has also achieved efficiencies in corporate credit card allocations within the business. Since last financial year, the total amount of corporate credit cards in circulation has reduced by approximately 140. Further efficiencies have also been achieved by reducing the number of contractors hired, a reduction of 0.5 per cent or 7.3 FTEs; and expenditure on taxis and related services, more than \$2,000 less this financial year compared with last year.

I look forward to continuing to work closely with the SA Water Board and SA Water staff in delivering excellence of service, high-quality and affordable services to the people of South Australia.

**Dr CLOSE:** I will limit my opening statement to thanking the officials and the minister for attending today and the work you have done to prepare for this; I know it is considerable. My question relates to the way in which SA Water monitors its water quality for the drinking water supply and, in particular, given it is in the news, about Myponga. How often is cryptosporidium tested for post-treatment?

**The CHAIR:** Member for Port Adelaide, which budget reference?

**Dr CLOSE:** We are in Budget Paper 3, page 82. How is the testing process done post-treatment, how often is it made public and when was the last time that cryptosporidium was detected post-treatment at Myponga?

**The CHAIR:** Budget Paper 3, did you say?

**Dr CLOSE:** Yes. Pages 81 and 82, SA Water.

**The CHAIR:** Pages 81 and 82, at the top. All good, thank you. Minister.

**The Hon. D.J. SPEIRS:** Mr Chair, I am not sure where the deputy leader is zeroing in on here in terms of the budget line in relation to water treatment at Myponga.

**The CHAIR:** I am going to assume that it says the words 'SA Water'. It is very broad, but I have been allowing a broad interpretation for most of estimates, so I am happy for you to take that

one on notice, minister, if that is the case. However, I will remind the deputy leader that we do need line items and budget papers appropriately referenced.

**Dr CLOSE:** Indeed. You would be aware that there is a complexity with SA Water, in that it does not have its own agency statement as part of paper 4.

**The CHAIR:** Unfortunately, the composition of the budget papers—

**Dr CLOSE:** Nonetheless, 45 minutes—

**The CHAIR:** —is way beyond my pay grade. Deputy leader, I can only go with what is in front of me.

**Dr CLOSE:** Indeed—is devoted to SA Water. SA Water is responsible for the delivery of drinking water to South Australians, and it does it well. My question is about the way in which it manages potential contamination and how it does testing for that. I am particularly interested in the testing at Myponga.

**The Hon. D.J. SPEIRS:** That is obviously a very specific question about the specific water testing regimes at a particular reservoir, namely, Myponga Reservoir, which was discussed extensively in the Department for Environment and Water's estimates committee a short while ago. Obviously, the SA Water Corporation takes a very serious and thorough approach when it comes to testing water quality. I believe that occurs in line with world best practice, as discussed at the previous estimates committee.

I believe the situation at Myponga is that that reservoir occupies what is known as a compromised catchment as a consequence of dairy farming occurring within the vicinity of the catchment. The dairy farming within that catchment is by far the greatest risk to the quality of drinking water, historically and likely to the present day, within that reservoir. As a consequence, the testing regime will be focused on the particular risks that arise as a consequence of the geographical location of that reservoir.

In terms of the particular scientific approach to water quality testing at Myponga and the incidences of particular water quality problems at that reservoir, I do not have that level of detail with me today, but I will be happy to take that on notice.

**Dr CLOSE:** You would not care to ask a friend who might be sitting next to you who might know?

**The Hon. D.J. SPEIRS:** I did.

**The CHAIR:** The minister has indicated that he will take it on notice.

**Dr CLOSE:** Fair enough. I would like to be clear that part of the question I would like taken on notice is the last time that cryptosporidium was detected. How is the government able to be assured that they will know if—

**The Hon. D.J. SPEIRS:** Can I clarify that the deputy leader has changed her question.

**Dr CLOSE:** No, I included that, but I was not sure if you heard it.

**The Hon. D.J. SPEIRS:** She said, firstly, 'the cryptosporidium tested post-treatment'.

**Dr CLOSE:** Post-treatment, that is right.

**The CHAIR:** I am happy for you to take that on notice as well, minister.

**The Hon. D.J. SPEIRS:** Post-treatment, because you cannot tell when it has been detected before treatment.

**The CHAIR:** Indeed.

**Dr CLOSE:** Exactly, and that is why I did not ask that. How is the government able to be assured that it will know if somebody has been made sick as a result of any contamination of drinking water? What is the process that SA Water uses, presumably in its relationship with SA Health, to get the feedback that there may have been a problem in the water supply?

**The Hon. D.J. SPEIRS:** I will take the details of that question on notice.

**Mr PEDERICK:** Minister, I refer the committee to Budget Paper 3, Volume 1, page 80. Will the minister outline for the committee the investments that are being made into SA Water's infrastructure?

**The Hon. D.J. SPEIRS:** It gives me great pleasure to update the committee on the investments that are being made in SA Water's infrastructure. SA Water continues to develop plans that manage level of service, risk and life cycle costs across water and wastewater assets. SA Water's budget includes provisions for proactive as well as reactive maintenance across all asset types to ensure reliable service is maintained efficiently.

SA Water invests significant capital in the ongoing renewal of its infrastructure. This investment ensures its network can support population growth and increased demand, along with continually improving the service SA Water provides its customers and the quality of their products. In 2019-20, SA Water will invest \$620.3 million, excluding contributed assets, on the renewal and upgrade of its pipe network, treatment plants, water storages and other related infrastructure, building on the \$608.7 million capital investment in 2018-19.

Investment in SA Water's infrastructure provides improved water and wastewater services to the South Australian community. However, importantly, it also provides economic stimulus to South Australian communities. It creates employment opportunities and fosters local industry participation through the construction and commissioning of new and ongoing work. The growth of local residential development into the future is supported and environmental benefits are realised.

For instance, the Northern Adelaide Irrigation Scheme, commonly known as NAIS, will expand the use of recycled water for advanced agrifood production in the Northern Adelaide Plains. It is also a key project supported by the government for the economic development of that area. This project represents an important opportunity for new investment, increased production and job creation in the region. Once complete, the NAIS will provide an additional 12 gegalitres of water to help develop up to 300 hectares of new export-focused horticulture production, which is estimated to add \$578 million to the state's economy each year and create around 3,700 jobs when fully operational.

A further example is the upgrade of the Warooka and Point Turton water supply that demonstrates the benefits of investment in SA Water's infrastructure. From late last year, about 1,500 people living and working in Warooka and Point Turton on Yorke Peninsula began receiving a more secure supply of high-quality drinking water through a newly constructed pipeline.

Approximately 26 full-time jobs were created during this project that saw the installation of 38.5 kilometres of pipeline, a booster pump station along the pipeline route, 1,250 metres of new mains water in Point Turton and re-roofing of the Warooka storage tank. The sustainability of the Warooka and Point Turton township through the provision of a reliable water supply will enable the development of this community and greater water security into the future.

The environmental benefits realised through investment in SA Water's infrastructure are seen through projects such as the upgrade of the Port Lincoln wastewater network capacity. Allowing the seafood industry to discharge higher saline flows into SA Water's wastewater network in 2019 and beyond not only provides additional capacity for future growth in Port Lincoln and its seafood industry but improves the network's environmental compliance.

The member for Hammond would be interested in the project to relocate the Murray Bridge wastewater treatment plant, which will see the decommissioning of a 50-year-old structure that is reaching the end of its asset life. The new, higher capacity treatment plant will be built away from both the River Murray and the Rural City of Murray Bridge at a site best identified to manage odour, conserve heritage, flora and fauna, and build on effluent re-use opportunities.

This project is forecast to see approximately \$13 million spent on goods and services in South Australia, including about \$5 million on goods and services in the Murray Bridge/Mallee region. Additionally, over 46,000 hours of South Australian labour will be used in the project, with over half of that being within the Murray Bridge region.

**Ms BEDFORD:** Continuing on the effluent line, I refer to Budget Paper 4, Volume 2, page 138, but you might also look at Budget Paper 3, Volume 4, page 71. How can we truly advance South Australia's international reputation for water management when 4,400 households in the north-eastern suburbs are still on an archaic sewerage system run by the local council which, I believe, is the last in the metropolitan area? We are lucky, I suppose, from that perspective, but not really.

**The Hon. D.J. SPEIRS:** I thank the member for Florey for her question, and a very worthy question it is. This is certainly an issue that has been raised with me not only by the member for Florey in the past but also the member for Newland, who has a couple of thousand residents who are still on what is known as the CWMS.

**Ms BEDFORD:** What does it stand for?

**The Hon. D.J. SPEIRS:** The Community Wastewater Management System. It has become very apparent in recent times that the asset maintenance regime around that community wastewater system leaves a lot to be desired and has not had the investment in the asset maintenance that it should have had. Notwithstanding who the owner is, it is something that is far from ideal and is resulting in a whole range of problems around odour, sewage spills, etc. In fact, it also appears to be reducing the value of residential properties in that area, or at least the potential value, in that people are put off purchasing houses that are on one of these systems. That is certainly the anecdotal information that has been put to me by local members of parliament.

The government is concerned about this. SA Water has attempted to have conversations with the City of Tea Tree Gully council. I understand that those conversations have been challenging in terms of what information the council will put on the table. I should say, though, that it has been several weeks since I have asked how those conversations are going, but historically I understand that those conversations have been difficult, and we are very keen for the City of Tea Tree Gully to outline the costs associated with the project and the costs that residents or homeowners are being charged to access the wastewater system. That sort of information will help SA Water derive an understanding as to how it can assist with this problem.

In recent times, SA Water has taken on community wastewater management systems in other parts of the state, most notably in the Yankalilla community. I think I also read something recently about the Wirrina development which is also in the District Council of Yankalilla, and those systems had been run by the council. I am also aware of discussions that have taken place with the Ceduna council around the Water West system run by the council out there. There are certainly a number of precedents in place where SA Water has stepped in and assisted to deal with these circumstances.

However, of course, this will come with a cost. It is a cost that has not been established yet. I would urge the City of Tea Tree Gully to have frank disclosure of the challenges and the costs associated with that. I will certainly work with the member for Florey and the member for Newland and other members with affected communities as we work towards a solution to this, but the council has to front up with the books and tell us the situation

**Ms BEDFORD:** As I understand it then, all that is holding this process up is that they are not talking to you.

**The Hon. D.J. SPEIRS:** I understand that the council has not provided the level of information required to SA Water. That does not mean that SA Water can and would step in when they get that information, but it would allow us to have a much fuller discussion as to the situation that affects the Tea Tree Gully, Modbury, Surrey Downs and Fairview Park communities and what other suburbs are impacted by this. Those conversations have not been as frank or as forthcoming as we would like. There has been a lot of noise from the sidelines and motions passed in the council, but not a lot of solutions-focused conversations coming from the council to SA Water.

**Ms BEDFORD:** So it is the last in the metropolitan area that is still not connected?

**The Hon. D.J. SPEIRS:** I cannot confirm that for sure; I can find out for you.

**Ms BEDFORD:** That would be good.

**The Hon. D.J. SPEIRS:** I have not come across any others.

**Ms BEDFORD:** No, I have not either. I will be looking forward to helping.

**The Hon. D.J. SPEIRS:** I look forward to working with the member for Florey, as I always do.

**Mr BROWN:** I refer to Budget Paper 3, page 80, about halfway down the annual program for water quality management. Minister, are you aware that in December last year SA Water discovered that a property in Mawson Lakes had its drinking water plumbing incorrectly connected to the recycled water system?

**The Hon. D.J. SPEIRS:** I was aware there was a water quality situation that occurred in the Mawson Lakes area last year.

**Mr BROWN:** Can you advise how many audits of plumbing were done of properties in the area surrounding the affected property?

**The Hon. D.J. SPEIRS:** I cannot provide that specific information today, but I can take that on notice and find out.

**Mr BROWN:** Can you advise how many random audits were performed by SA Water staff of other properties attached to the same recycled water system?

**The Hon. D.J. SPEIRS:** I will also have to take that question on notice. This is a matter that would be undertaken by the Office of the Technical Regulator who, I understand, attended the estimates committee with the Minister for Energy and Mining.

**Mr BROWN:** So the water quality of residents of Mawson Lakes is not something that SA Water is particularly concerned about, even though they are customers of SA Water?

**The CHAIR:** Member for Playford, can you direct me back to a budget line item in terms of that question?

**Mr BROWN:** Sure. I could do two things. I can either draw your attention to page 80, water quality management, or alternatively I could ask this question: does SA Water derive income from customers in the Mawson Lakes area?

**The Hon. D.J. SPEIRS:** I understand that we do.

**Mr BROWN:** You do? Great. I will continue my line of questioning then.

**The CHAIR:** I will determine the line of questioning, ultimately.

**Mr BROWN:** Okay; can I have a ruling, please?

**The CHAIR:** If you have a question, please ask it and I will determine if it is acceptable.

**Mr BROWN:** My question is related to the same incident you spoke about previously. I note that in your opening statement you talked about the importance of providing good water quality to customers of SA Water. How many local residents were contacted to inform them that problems had been discovered with the recycled water system?

**The Hon. D.J. SPEIRS:** I will have to take that on notice. I do not have information before me about the specific water quality incident in the community of Mawson Lakes.

**Mr BROWN:** How many local residents were asked to perform a self-audit of the recycled water?

**The Hon. D.J. SPEIRS:** I will have to take that on notice as well.

**Mr BROWN:** You might be able to answer this one. What are the sources of the water in the Mawson Lakes recycled water system?

**The Hon. D.J. SPEIRS:** The water in the Mawson Lakes recycled water system is sourced from the Bolivar treatment facility.

**Mr BROWN:** So it is recycled sewage?

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

**Mr BROWN:** Okay. Is SA Water aware of any ill-health experienced by those who consumed the recycled water mentioned previously over an extended period?

**The Hon. D.J. SPEIRS:** I will take that on notice.

**Mr BROWN:** What changes have been made to SA Water's auditing procedures for recycled water connections following this incident?

**The Hon. D.J. SPEIRS:** I will take that on notice as well, but I should also mention that it is likely to be a matter for the Office of the Technical Regulator to provide that level of quality control across our network.

**Mr BROWN:** Does SA Water believe that it has complied with the Water Industry Act in this case to supply clean drinking water?

**The Hon. D.J. SPEIRS:** I will take that on notice.

**The CHAIR:** The member for Basham.

**Mr BASHAM:** Finniss.

*Members interjecting:*

**The CHAIR:** I have done that twice. Clearly, there is a need for the Electoral Commission to review some of the names of our electorates.

**Mr BROWN:** He is not dead yet.

**Mr PEDERICK:** Long may he live.

**The CHAIR:** The member for Finniss.

**Mr BASHAM:** Thank you, Mr Chairman. I refer the committee to Budget Paper 3, Volume 1, page 80. Will the minister outline for the committee the developments and delivery around the Zero Cost Energy Future project?

**The Hon. D.J. SPEIRS:** I thank the member for Finniss for his question; and I do think you are worthy to one day have a seat named in your honour. Anything is a better name than the seat of Black. With Zero Cost Energy Future, SA Water aims to reduce its net energy costs to zero contributing to lower and more stable prices for South Australian customers, and provide stimulus to South Australian companies, as well as fundamentally improving the reliance of its networks during times of energy market uncertainty, plus improving environmental outcomes for our state in using cleaner energy sources.

It is worth mentioning that the work that has been undertaken by SA Water to develop the Zero Cost Energy Future project really is nation leading, but it could quite well be determined to be internationally leading as well. A week or so ago, I was able to attend a meeting with The Climate Group in London. They were very interested in writing this project up as a case study as to how a major utility could essentially come off-grid, and eliminate its carbon footprint in terms of its energy use at least. It is a project that is innovative and impressive, and is one that we ought to be thinking about sharing further afield.

SA Water, as many would know, is one of the state's biggest energy consumers with an expected \$68 million in annual expenditure on energy by 2020-21, that being without any intervention from the status quo in terms of source of energy. Through the Zero Cost Energy Future project, it is seeking to reduce its reliance on the energy market, and dramatically reduce its energy costs, and also have a very significant contribution to the decarbonisation of our state's water utility.

Thus far, SA Water has awarded the framework agreement contract for the deployment of up to 154 megawatts of new solar photovoltaic generation and 34 megawatts of energy storage. As part of Zero Cost Energy Future, up to 70 SA Water sites across the state will receive more than 500,000 solar panel installations, bringing with it an estimated 250 construction jobs and a significant contribution towards neutralising SA Water's electricity and network costs.

As part of stage 1 of the solar rollout, three metropolitan sites have already been constructed at Christies Beach, Glenelg and Hope Valley, totalling just over four megawatts of power and

comprising 12,000 solar panels. These sites complement an earlier installation at Crystal Brook and provide an excellent knowledge base to support the installation at the remaining sites. Under the framework contract, a further 12 sites are now under contract, with site works already underway at Morgan.

It is anticipated that the majority of the construction activity will be completed by June 2020, returning our focus to the South Australian people, while the exact savings brought to customers through Zero Cost Energy Future will vary depending on factors, such as wholesale energy prices—which are obviously always fluctuating—customer demand and natural reservoir intakes. This visionary project aligns with this government's plan to reduce the rising cost-of-living pressures in South Australian households and businesses now and into the future and also our aim to decarbonise our operations, where possible.

**Dr CLOSE:** I refer to Budget Paper 3, page 82. There is commentary at the top of the page regarding SA Water. What is the forecast operating profit after tax for SA Water at the end of each financial year over the forward estimates?

**The Hon. D.J. SPEIRS:** Can I just clarify: you asked for the profit before tax?

**Dr CLOSE:** After.

#### Membership:

Hon. A. Piccolo substituted for Ms Hildyard.

**The Hon. D.J. SPEIRS:** It is hard to calculate the exact level of tax. There are a few variables in there, but the best estimate of that is to give you what the dividend would be, which is pretty close. That dividend is projected in the 2019-20 financial year to be \$179 million; in the 2020-21 financial year, \$178.4 million; in the 2021-22 financial year, \$191.1 million; and in the 2022-23 financial year, \$213.9 million.

**Dr CLOSE:** What is the forecast operating expense for SA Water for each year over the forward estimates?

**The Hon. D.J. SPEIRS:** I will have to take that on notice. I do not have that figure in front of me.

**Dr CLOSE:** What are the guarantee fees forecast for SA Water to be paid each financial year over the forward estimates?

**The Hon. D.J. SPEIRS:** I will also have to take that on notice.

**Dr CLOSE:** Thank you, Chair. I think I will do the omnibus questions now, for fear of not getting them done, and then there may be room for other questions after that.

1. For each department and agency reporting to the minister:
  - What is the actual FTE count at 30 June 2019 and the projected actual FTE count for each year of the forward estimates?
  - What is the total employment cost for each year of the forward estimates?
  - What is the notional FTE job reduction target that has been agreed with Treasury for each year of the forward estimates?
  - Does the agency or department expect to meet the target in each year of the forward estimates?
  - How many TVSPs are estimated to be required to meet FTE reductions over the forward estimates?

2. Between 1 July 2018 and 30 June 2019, 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 has either (1) been abolished and (2) which has been created.

3. Will the minister provide a detailed breakdown of expenditure on consultants and contractors above \$10,000 between 1 July 2018 and 30 June 2019 for all departments and agencies reporting to the minister, listing:

- the name of the consultant, contractor or service supplier;
- cost;
- work undertaken;
- reason for engaging the contractor, and
- method of appointment?

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

- How many FTEs were employed to provide communication and promotion activities in 2018-19 and what was their employment expense?
- How many FTEs are budgeted to provide communication and promotion activities in 2019-20, 2020-21, 2021-22 and 2022-23 and what is their estimated employment expense?
- The total cost of government-paid advertising, including campaigns, across all mediums in 2018-19 and budgeted cost for 2019-20.

5. For each department and agency reporting to the minister, please provide a full itemised breakdown of attraction and retention allowances as well as non-salary benefits paid to public servants and contracts between 1 July 2018 and 30 June 2019.

6. What is the title and total employment cost of each individual staff member in the minister's office as at 30 June 2019, including all departmental employees seconded to ministerial offices?

7. For each department and agency reporting to the minister, could you detail:

- (a) How much was spent on targeted voluntary separation packages in 2018-19?
- (b) What department funded these TVSPs? (except for DTF Estimates)
- (c) What number of TVSPs were funded?
- (d) What is the budget for targeted voluntary separation packages for financial years included in the forward estimates (by year), and how are these packages funded?
- (e) What is the breakdown per agency/branch of targeted voluntary separation packages for financial years included in the forward estimates (by year) by FTEs?

8. For each department and agency reporting to the minister, how many executive terminations have occurred since 1 July 2018 and what is the value of executive termination payments made?

9. For each department and agency reporting to the minister, what new executive appointments have been made since 1 July 2018, and what is the annual salary, and total employment cost for each position?

10. For each department and agency reporting to the minister, how many employees have been declared excess, how long has each employee been declared excess, and what is the salary of each excess employee?

11. In the 2018-19 financial year, for all departments and agencies reporting to the minister, what underspending on operating programs (1) was and (2) was not approved by cabinet for carryover expenditure in 2019-20?

12. In the 2018-19 financial year, for all departments and agencies reporting to the minister, what underspending on investing or capital projects or programs (1) was and (2) was not approved by cabinet for carryover expenditure in 2019-20? How was much sought and how much was approved?

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

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

14. For the period of 1 July 2018 to 30 June 2019, provide a breakdown of all grants paid by the department/agency that report to the minister, including when the payment was made to the recipient, and when the grant agreement was signed by both parties.

15. For each year of the forward estimates, please provide the name and budgeted expenditure across the 2019-20, 2020-21, 2021-22 and 2022-23 financial years for each individual investing expenditure project administered by or on behalf of all departments and agencies reporting to the minister.

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

17. For each department and agency reporting to the minister, what is the total cost of machinery of government changes since 1 July 2018 and please provide a breakdown of those costs?

18. For each department and agency reporting to the minister, what new sections of your department or agency have been established since 1 July 2018 and what is their purpose?

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

- What savings targets have been set for each year of the forward estimates?
- What measures are you implementing to meet your savings target?
- What is the estimated FTE impact of these measures?

**The Hon. D.J. SPEIRS:** I will take those on notice.

**Dr CLOSE:** If I can return to a more sedate pace, I refer to Budget Paper 3, page 82, with the commentary about SA Water. How much, if at all, have board fees increased for SA Water board members?

**The Hon. D.J. SPEIRS:** They have not increased.

**Dr CLOSE:** For Budget Paper 3, page 80, capital projects, could the minister provide the table for SA Water's capital projects with the cost per project allocated across each year of the budget year and across the forward estimates?

**The Hon. D.J. SPEIRS:** I can certainly provide that. There is a forecast, which is subject to the upcoming determination by ESCOSA, which obviously is a filter this has to work through and is imminent in terms of the current financial year. We can certainly provide the projected list of projects.

**Dr CLOSE:** Is there any unallocated capital contingency or amount in SA Water's forecast capital program?

**The Hon. D.J. SPEIRS:** I am advised that there is no specific contingency, but if there was leftover money, there would be a list of projects that would then use that leftover money. It would be a rolling list of projects.

**Dr CLOSE:** With the assembled—

**The CHAIR:** Sorry, deputy leader. Alas, time has expired. There being no further questions, I declare the examination of proposed payments for the portfolio of SA Water and the estimate of payments for the Department for Energy and Mining completed. If we can move to the portfolio of the Environment Protection Authority.

#### **Departmental Advisers:**

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

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

Mr P. Dolan, Director, Regulation, Environment Protection Authority.

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

Ms K. Bellette, Director, Strategy and Assessment, Environment Protection Authority.

Ms S. Behrendt, General Manager, People and Performance, Environment Protection Authority.

**The CHAIR:** I declare the proposed payments open for examination and refer members to the Agency Statements, Volume 2. Minister, when you are ready, if you can please introduce your advisers.

**The Hon. D.J. SPEIRS:** I would like to introduce the departmental officers who are assisting me here today. I have Mr Tony Circelli, Chief Executive of the EPA; Richard Jacka, Chief Finance Officer; and Peter Dolan, Director of Regulation. Behind me, I have Keith Baldry, Director of Science and Information; Kathryn Bellette, Director of Strategy and Assessment; and Suzanne Behrendt, General Manager, People and Performance.

Mr Chair, South Australia's unique and diverse environment is a vital part of our state's character and is a strong focus area of the state government. The Environment Protection Authority, as the state's environmental regulator, plays an important role in working to protect and enhance South Australia's environment. The EPA has continued its work with industry, government and the community supporting and encouraging sustainable business practices and innovation and working towards a more circular economy.

South Australia's container deposit scheme, administered and regulated by the EPA, is an iconic South Australian policy measure and is broadly recognised as one of the best performing beverage-related product stewardship schemes in the world. The scheme, since its inception some 40 years ago, has proved itself as a factor in reducing litter in the environment and the amount that goes to landfill and increasing recycling rates.

In January 2018, I initiated a review of the scheme and released the scoping paper 'Improving South Australia's Recycling Makes Cents', inviting the community and industry to comment on every aspect of the scheme with a view to identifying opportunities to enhance and build on the scheme's successes into the future. The EPA is currently collating all feedback received, which will be used to inform a discussion paper on options for changes to the scheme. I look forward to releasing the discussion paper for consultation in the 2019-20 financial year.

Other significant pieces of work the EPA has undertaken over the last year include the release of the 2018 State of the Environment Report, which brought together a huge range of

environmental monitoring data from across the state to inform the community about the current state of our environment.

In July 2018, the EPA released a suite of documents providing guidance on the risk-based assessment and remediation of site contamination to ensure a consistent understanding and application of the documents is applied across the state. The EPA has continued its work in the waste and resource recovery sector as we seek to increase resource recovery in South Australia and move towards a more circular economy.

Initiatives progressed in 2018-19 under the EPA's waste reform program include more detailed monitoring of waste inventory at resource recovery and disposal depots, introducing stronger stockpiling controls and reviewing waste levy collection procedures. Work in these crucial aspects of the waste and resource recovery sector will continue into 2019-20.

Understanding the importance of these waste reform initiatives, \$2 million in funding, which forms part of the recycling transition package announced in the 2019-20 state budget, will be given to the EPA over the forward estimates to further strengthen its waste levy compliance activities. That amounts to \$1.6 million. The remaining \$400,000 has been provided to research and gather information to inform the review of the container deposit scheme and subsequent policy development.

The EPA has conducted public consultation on a bill to replace the Radiation Protection and Control Act 1982 with legislation that is more modern and aimed at improving safety for the community, enhanced security measures and a more streamlined licensing process as the act has not been significantly updated since it became law some 37 years ago.

The EPA has also continued to work hard to find efficiencies and use taxpayer money as carefully as possible. Practically, this has led to a 13 per cent reduction in credit cards held by the agency resulting in 561 less credit card transactions compared with 2017-18, and \$10,000 per annum being saved on pot plant usage compared with earlier in the 2017-18.

I am confident that by continuing to implement a modern and continuous improvement approach to regulation and policymaking, development assessment, licensing and enforcement, and by supporting innovation and working closely with communities, industries, research bodies and governments, the EPA will be able to effect real and positive changes for a better environment for generations to come.

**Dr CLOSE:** Just as an opening statement, I would like to thank the officials who have attended today and for the work that you have done leading up to today. I know it takes a lot of effort to get ready for estimates so thank you for that.

**The Hon. A. PICCOLO:** I refer to Budget Paper 5, page 45, solid waste levy increase, which will not surprise you because of my interest in local government. My question to the minister is as follows: what modelling has been undertaken by the relevant agency to calculate the likely financial impact on councils, resulting from the increase in illegal dumping that will result from the government's 40 per cent bin tax hike, remembering that councils are hit twice through illegal dumping: the cost of the clean-up and then the bin tax hike on disposal?

**The Hon. D.J. SPEIRS:** Is that modelling specific to illegal dumping?

**The Hon. A. PICCOLO:** Well, the total cost to councils, which will actually also include illegal dumping or the collection of illegal dumping.

**The Hon. D.J. SPEIRS:** But not limited to illegal dumping?

**The Hon. A. PICCOLO:** But certainly including.

**The Hon. D.J. SPEIRS:** There is a complete lack of evidence to suggest a connection between the two, so we would be discounting that straightaway.

**The Hon. A. PICCOLO:** So you have actually done no modelling regarding the illegal dumping itself?

**The Hon. D.J. SPEIRS:** Of illegal dumping?

**The Hon. A. PICCOLO:** Yes.

**The Hon. D.J. SPEIRS:** It is not for the EPA to do that modelling. I understand that the Local Government Association local councils have been unable to confirm the extent to which increases and levies in the past have led to an increase in illegal dumping. I will come back to the broader modelling in a moment. Obviously, that information can only be provided by local councils to the EPA or Green Industries SA. That information in terms of volumes is held at a local level.

It is worth saying that up until recently Queensland had no waste levy yet still had to deal with illegal dumping during the time of having no levy whatsoever. There is no body of evidence to suggest that, prior to South Australia having a levy some 20 years ago, there was less illegal dumping than when the levy was brought in. In fact, culture change during the last 20 years or so since the introduction of a levy is likely to suggest that, with the presence of a levy, illegal dumping has declined, not increased.

**The Hon. A. PICCOLO:** Mr Chairman, if I could follow up on the same budget line, Budget Paper 5, page 45, solid waste levy. Minister, just to clarify my understanding, is it your evidence to this committee that in your opinion the increase in the solid waste levy, or increase in what people pay when they have to bring their refuse to a dump, etc., has no impact whatsoever on the rate of illegal dumping? Is that your evidence?

**The Hon. D.J. SPEIRS:** The evidence would suggest that because jurisdictions that have no levy at all still have to deal with illegal dumping. Where there is a levy in place or when it is brought in, certainly it has been the case in South Australia that, in terms of evidence that has been provided or not provided as the case may be by the Local Government Association or individual local councils, there has not been an evidence-based increase in illegal dumping.

**The Hon. A. PICCOLO:** That is your opinion as well?

**The Hon. D.J. SPEIRS:** It is not only my opinion but the evidence that has been provided or not provided to me. Councils have not been able to provide an evidence base to suggest that, as the solid waste levy rose under the previous government, illegal dumping rose in a way where you could determine a linear relationship between the rising levy and an increase in illegal dumping occurring in South Australian communities.

**The Hon. A. PICCOLO:** Again, I refer to Budget Paper 5, page 45, solid waste levy increase. Minister, in your opinion, the evidence or submissions made by local government are unconvincing in this regard?

**The Hon. D.J. SPEIRS:** I have not seen evidence provided by local government that has been able to demonstrate a relationship between the increased levy and an increase in illegal dumping, fly tipping or whatever it might be called. What I do have is the transcript of the Hon. Ian Hunter making statements in this room to say exactly the same thing. I would be happy to provide you with the evidence that Ian Hunter provided this house.

**The Hon. A. PICCOLO:** Through you, Mr Chairman, just to clarify because the answer did not quite address the issue I raised: I understand that local government has made submissions to you on this matter, and you find those submissions unconvincing.

**The Hon. D.J. SPEIRS:** I have not seen evidence that convinces me in any way that there is a relationship between the levy increase—of course, that would not be possible to demonstrate because, under this government, we are not into a discernible period of the levy rise that could see an evidence base built at this stage. Anything that local government would present would be a result of the levy rises under the Labor government between 2002 and 2018.

As Ian Hunter and other members of the cabinet made abundantly clear in statements in this place during Labor's time in power when they increased the levy substantially, there was no discernible relationship between an increase in the levy and an increase in illegal dumping. The only information I have is historic evidence, as tendered by the previous government.

**The Hon. A. PICCOLO:** Same question, same budget line: can I just clarify and confirm that you have actually received submissions from local government, or your agencies have received submissions on this matter from local government?

**The Hon. D.J. SPEIRS:** That may have been received by Green Industries or it may have been received by the parliamentary committee, which is undertaking a look at waste management in the state. I understand the member for Playford is on that committee, but I am unaware of what those submissions have seen.

But it has certainly been put to me anecdotally by representatives from the Local Government Association that this is the case. When I have asked for evidence to be provided to me, I have not seen it, but the verbal arguments, the anecdotal arguments, have not been backed with data or evidence. They have not been able to say that in, for example, the City of Marion when, under Labor, the waste levy was \$40 a tonne and it increased to \$60 a tonne, there was not a discernible increase in illegal dumping.

**Dr CLOSE:** If we can look at Budget Paper 5, page 45, and the solid waste levy, I am interested less in the amount of the levy and more in what the target is for reduction of solid waste going into landfill and so on, as opposed to the circular economy, ideally, and not using materials that require recycling in the first place but, if necessary, recycling. Is there a target in volume and in weight for solid waste over the next four years?

**The Hon. D.J. SPEIRS:** These targets are set and established under the Green Industries SA component of my portfolio.

**Dr CLOSE:** Would you like me to ask again? I am happy to ask again shortly.

**The Hon. D.J. SPEIRS:** I am happy to provide a bit of an answer, but with those advisers here I would get a much more thorough answer.

**Dr CLOSE:** I am happy to ask that then. My next question is connected to the setting of the levy, though, so tell me if you also would like me to move that. Has there been modelling done? Presuming the levy is not primarily to acquire income for government but is primarily to create a disincentive for people to get rid of their waste into landfill, is there a model that the government has been drawing on for what rate the levy needs to be for what quantum of reduction? I am happy to move that to the next session if that is where the expertise sits.

**The Hon. D.J. SPEIRS:** I think it would better to do that.

**Dr CLOSE:** I will probably ask it more briefly the next time.

**The Hon. D.J. SPEIRS:** They are listening in, so they will be ready for it.

**Dr CLOSE:** On page 45 it says, 'In line with government policy, the majority of additional revenue will go into environmental programs.' What is the revenue that does not go into environmental programs?

**The Hon. D.J. SPEIRS:** As I understand it, on the EPA's side of the budget, because of course this splits between the EPA and Green Industries SA, the contribution to the state's bottom line, to the Department of Treasury and Finance, is \$17.675 million in the financial year just gone. Obviously, this varies in terms of dumping, etc. We have projections for the forward estimates: the best and most accurate is the account for the previous financial year, which was \$17.675 million.

**Dr CLOSE:** It went to Treasury, did it not?

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

**Dr CLOSE:** For Budget Paper 4, Volume 2, page 164, I presume that the Green Industry Fund is held as an administered item against the EPA; there is a reference to it being so. I will ask this question and assume that these are the people who can answer it: what was the balance of the Green Industry Fund at the start of the financial year 2018-19?

**The Hon. D.J. SPEIRS:** That would be a question to ask of Green Industries as well.

**Dr CLOSE:** They hold the entire fund, even though they do not spend it all?

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

**Dr CLOSE:** I see.

**The CHAIR:** The member for Hammond seeks the call. I will come back to you, member for Port Adelaide.

**Mr PEDERICK:** Thank you, sir. I refer the committee to Budget Paper 4, Volume 2, page 167. Can the minister outline for the committee the Environment Protection Authority's progress in its review of the container deposit scheme?

**The Hon. D.J. SPEIRS:** I thank the member for Hammond for this very important question. The South Australian container deposit scheme has been highly successful as a litter reduction program since its inception in 1977. It was the first such scheme in the country and it has, in fact, taken a long time for other jurisdictions in our nation to catch up. They have only been able to do so in the last couple of years.

As such, South Australia has, as a result of this scheme, been recognised as a trailblazer in recycling, leading to other states and territories introducing their own CDS. Beverage containers currently make up only 3 per cent of the South Australian litter stream, which is substantially less than in other states and territories. In 2017-18, almost 603 million containers, amounting to 42,913 tonnes of material, was recovered by collection depots for recycling—an approximately 78 per cent recovery rate.

The scheme has been virtually unchanged since its introduction with the exception of an increase in the deposit from 5¢ to 10¢ in 2008 and some minor amendments. Much has changed since 1977, including types of containers, consumer choices, technology and markets for recycled materials. It is therefore important to keep looking for opportunities to improve the CDS, both in terms of its role in recycling and in litter reduction.

This government instigated a review of the CDS with the intention of modernising it in line with world best practice and to better reflect the objectives of a circular economy. On 13 January 2019, the EPA released a scoping paper, 'Improving South Australia's Recycling Makes Cents', inviting public feedback on ways to improve the current CDS and to build on its historic successes. The EPA received more than 1,000 responses to a YourSAy survey based on the scoping paper and 97 written responses. Eighty-four per cent of respondents to the survey thought that more types of containers should be included in the scheme.

This was also a key recommendation from the CDS stakeholder reference group, established by the EPA to inform the CDS review. The reference group is made up of members representing a range of interests within the CDS, including collection depots, super collectors, manufacturers—including the wine industry—retailers, waste industry associations and non-government organisations.

The EPA board hosted a CDS roundtable summit on 21 May 2019, where some of the key issues, including governance of and opportunities to modernise the CDS, were further explored, with attendees from local government, collection depots, super collectors and business and retail representatives. There was overwhelming support for industry to increase the contribution of CDS to resource recovery and a circular economy, including by expanding its scope and for change in the way the CDS is governed.

The EPA is leading national discussions on opportunities to better align jurisdictional schemes. These national discussions, together with EPA board summit outcomes, responses received to the scoping paper consultation and advice from the stakeholder reference group, will inform a discussion paper on options for changes to the CDS to be released for consultation in the 2019-20 financial year. As part of the recycling transition package announced in the budget, the EPA will receive \$400,000 to be used to research and gather information to inform the review of the CDS and subsequent policy development.

**Dr CLOSE:** In Budget Paper 5, on page 44, there is a list of increased fees and new fees for poultry farmers and renewable energy facilities. What discussions had occurred with poultry farmers and with people who run renewable energy facilities about starting to have levies paid to the EPA?

**The Hon. D.J. SPEIRS:** Firstly, these fees will not be introduced until 1 July 2020. Consultation did not occur with poultry farmers and renewable energy organisations prior to the

announcement in the budget that these fees would be pursued by the Environment Protection Authority; however, a very clear statement has been made to industry that they will be involved in the development of what these fees and licences will look like, and they will be engaged throughout the process. Those discussions have begun in earnest.

**Dr CLOSE:** Given that there is an estimate of how much that is likely to raise for the EPA, based on the regulatory effort that the EPA is putting in, is it possible to tell the parliament how much the average poultry farmer and renewable energy facility will pay and also what the highest amount will be for any particular operator in both categories?

**The Hon. D.J. SPEIRS:** The fee regime has not yet been established, so the cost recovery figure, which is approximately \$180,000, was based on the effort within the Environment Protection Authority that goes towards policing the activities of these entities at the moment. We believe that was approximately two FTEs, which is quite a conservative estimate, and the figure of \$180,000 was established on the basis that that is the cost of the wages and the on-costs of those two FTEs. The licensing regime and fee structure will be established in a way that sees that cost recovered in consultation with the affected two industries, but we do not have a figure on what those fees will be like at the moment.

**Dr CLOSE:** We might find ourselves having this conversation in a year's time then. If we can now go back to Budget Paper 4, Volume 2, page 164 has a workforce summary. I see that in 2017-18 there were 215.8 FTE, and the budget for 2019-20 is 197.3 FTE. I appreciate that this may be taken on notice, but which are the positions that have gone in that reduction? What are their job titles and what were they doing?

**The Hon. D.J. SPEIRS:** We will take that on notice and provide the deputy leader with a list of the positions.

**Dr CLOSE:** How much was spent on TVSPs and does the same arrangement apply as for other departments, that the TVSPs were paid for by Treasury?

**The Hon. D.J. SPEIRS:** It is the same arrangement, with the central package to be funded by the Department of Treasury and Finance. The total amount provided to the Environment Protection Authority to fund its TVSPs was \$2.052 million in the 2018-19 financial year.

**Dr CLOSE:** At the bottom of that page, there appears to be a large jump in the net cost of services for the environment and radiation program. Can the minister explain that jump? At the bottom of page 164 there is the net cost of services of \$16 million in 2017-18. There will be a reason, but I am curious about what it is. I am pretty sure it has not gone on the CE's salary.

**The Hon. D.J. SPEIRS:** This is where the increase in the waste levy is captured. We see an additional \$9.8 million increase in the 2019-20 budget for income, compared with the estimated income, as a result of the increases in the solid waste levy and additional revenue from new cost recovery measures. In the previous budget, we talked about a licensing regime for fuel tanks and service stations, as you might recall, and that did not come in. Similar to the poultry farm and renewables in this budget, that has taken a year to come in. That is projected into this budget. The increase in the solid waste levy, plus the service station fees flow through and create an increase.

**Mr BASHAM:** I refer the committee to Budget Paper 4, Volume 2, page 167. Will the minister outline for the committee the Environment Protection Authority's release of the 2018 State of the Environment Report?

**The Hon. D.J. SPEIRS:** Thank you, member for Finniss. The Environment Protection Act 1993 requires the Environment Protection Authority to prepare and publish at least every five years a report on the state of the South Australian environment. The report is an important piece of work and provides a wealth of information about the challenges facing our state that can be used to help shape government policy and actions in the future and stimulate discussions in our community about our unique and precious environment.

The EPA facilitates the collation of data for the State of the Environment Report in collaboration with a number of other government departments and conservation organisations. The 2018 State of the Environment Report was released on 19 November 2018 and is the seventh

published in South Australia since 1988. The report was released as a website, accompanied by a short video and a printed summary report.

An EPA board subcommittee, chaired by the EPA's chief executive and including two members of the board, the chief executive of the Department for Environment and Water, the presiding member of the Adelaide and Mount Lofty Ranges NRM Board and a nominee of the chief executive of the Conservation Council, provided direction for the development of the report. An interagency reference group, including the Department for Environment and Water, Primary Industries and Regions SA, the Department of Planning, Transport and Infrastructure, the Local Government Association of SA, the Australian Bureau of Meteorology and the Australian Bureau of Statistics, also supported the development of the report.

Regular engagement with conservation organisations and their views helped shape the report and provided opportunity to debate important environmental issues facing the state. The 2018 report presents an analysis of trends in the condition of natural resources and environmental quality, and includes case studies, local perspectives and iconic images. It covers five themes: climate, air, inland waters, land and coast.

A feature of the 2018 report is its inclusion of opinion pieces, by experts Professor Corey Bradshaw from Flinders University, Professor Justin Brookes from the University of Adelaide and Professor Mark Western, Director of the Institute for Social Science Research, on three topics: biodiversity, coast protection and aquatic ecosystems. The report highlights important environmental issues for South Australia and makes six recommendations for government to consider in areas covering climate change, biodiversity, coast protection, waste management, aquatic ecosystems and environmental information.

I am considering the report's findings and recommendations in detail and will report the government's response to the 2018 State of the Environment Report to the house.

**Dr CLOSE:** On Budget Paper 4, page 167, dot point five refers to delivering pollution avoidance and reduction programs for water, air, noise and waste. What activities occurred in the last year, since we discussed this last year, to increase the management of the noise that comes from Adelaide Brighton that affects the local residents?

**The Hon. D.J. SPEIRS:** I will pass to Mr Peter Dolan to provide the house with an answer.

**Mr DOLAN:** We are working on a program with Adelaide Brighton Cement and in consultation with the community to do a couple of things. One is to identify sources of noise, and they have been doing noise monitoring to find exactly the source of the particular tones that concern the community, and then doing an environment improvement program under their licence to try to address those. That work has been going for some time. They have had an environment improvement program previously to do with dust in particular and particulate emissions, but they are turning towards noise now. It is fair to say that it can be a bit slow, and the community would like that fixed as quickly as possible, but they are working through that under their licence.

**Dr CLOSE:** Can the minister provide the breakdown of complaints received by the EPA in the last year across South Australia—I am no longer just asking about Adelaide Brighton—relating to air quality, noise, waste and any other categories that are used by the EPA in collecting their complaints information?

**The Hon. D.J. SPEIRS:** I am happy to take that on notice.

**Dr CLOSE:** What testing has the EPA done on bore water contamination in Largs North near the fire station?

**The Hon. D.J. SPEIRS:** I am advised that under the principle of polluter paying, the MFS as the owner of that site must undertake the appropriate testing, and then that information is provided online for the community or anyone who is interested to take a look at it.

**Dr CLOSE:** Is that provided via the EPA in any way? Does the EPA provide that publicly?

**The Hon. D.J. SPEIRS:** I will pass to Mr Circelli for that.

**Mr CIRCELLI:** The information is overseen by the EPA regulators. We are regulating the process. We have an approved voluntary assessment program from the MFS that we are regulating, like any other company, any other authority. There is a number of other parties as well in the Lefevre Peninsula area that we are also regulating in a similar way. This information is public register-available information as well. The requirement to inform the public also rests with the operator.

**Dr CLOSE:** Are you able to give me an update on what the advice is on the use of bore water, what restrictions there are in that Largs North area?

**Mr CIRCELLI:** That is something that we are still waiting to see in terms of anything more specific than usual, but we do have, of course, our annual program, where we talk to all people, particularly in the metropolitan area, to ensure that they do test the bore water. We have numerous assessment areas across the Adelaide area, across the state, and we obviously progressively work through those to look at where we require prohibition to take water.

Once the understanding of the plume is developed in the Largs North area, that may well be something that we proceed down, but we are still at the early stage of assessment on that. We again remind the community that if they are taking, firstly, there is a lot of information they can get in terms of potential sources in their local area on our website through our public register index, so they can get a bit of a sense of the likely risk. We would echo the Department of Health's advice that these bores should be tested and tested regularly to make sure they are safe.

**Dr CLOSE:** Minister, is there a regular forum between the EPA and the Department of Health on some of the issues that appear to have arisen more recently, such as PFAS, which is really in the last few years that people have become particularly concerned? Is there a forum where those discussions occur and you are kept up to date?

**The Hon. D.J. SPEIRS:** I will pass to Mr Circelli again.

**Mr CIRCELLI:** The forums occur on a number of levels. We have national forums with enHealth, who are the experts around public health that provide that input into the network, on the environmental protection chiefs, the heads of EPA. We have a senior representative from enHealth in all meetings of the heads of EPA, and PFAS is a very common issue of discussion across the country with all the states and territories.

At the local level, we also have a memorandum of understanding with the Department for Health on all issues to do with setting prohibition areas. For instance, we seek advice first from our public health colleagues. That relationship is very strong, very effective. We make sure that we defer to the public health experts in relation to the meaning of the numbers once we receive them.

**Dr CLOSE:** Minister, I wonder if you could give an update on the dredging operation that has been occurring, or is about to occur, at Outer Harbor with the Flinders Ports.

**The Hon. D.J. SPEIRS:** I will provide something of an update and then for specifics I might pass to my colleagues from the EPA. Members would be aware that there has been considerable interest from the community, conservation sector and some industry members regarding the dredging which is being undertaken by Flinders Ports. I understand that it has been undertaken for a couple of months now due to the particular desired time of the year that it has to be undertaken on. There was quite a bit of community consultation prior to that, and now I understand their work is underway.

There is almost real-time measurement of the turbidity in the water that occurs as a result of that. I understand that the equipment and technology used to undertake the dredging in 2019 is far advanced than when that previously occurred in the early 2000s. Issues such as loss of seagrass and habitat at the site of the dredge is considerably reduced compared with what it may have been historically.

It is also worth saying that the monitoring that has been undertaken has been, in our view, very accurate in that we have been able to see times when the turbidity and the plume from the dredge dump has got into a position of getting close to limits of concern, partly due to weather conditions and ocean environments. Because of the very close monitoring the dredge has been able

to be scaled back or stopped at particular times, so it is heartening to know that the level of oversight is probably considerably more than it was historically, largely as a result of better technologies.

**The CHAIR:** Unfortunately, time has expired. There being no further questions I declare the examination of the proposed payments for the portfolio Environment Protection Agency completed.

**Departmental Advisers:**

Mr V. Levitzke, Chief Executive, Green Industries South Australia.

Mr I. Harvey, Director, Strategy and Policy, Green Industries South Australia.

Ms C. Yin, Manager, Finance, Green Industries South Australia.

Mr J. Wheeler, Manager, Government Business, Green Industries South Australia.

Ms M. Kreinhold, Director, Business, Green Industries South Australia.

**The CHAIR:** We will move to the portfolio of Zero Waste/Green Industries SA. Minister, I declare the proposed payments open for examination and refer members to the Agency Statements, Volume 2. Could you please update the committee with your advisers and make an opening statement if you so wish.

**The Hon. D.J. SPEIRS:** Thank you, Mr Chair, and thank you for your patience this afternoon as we enter the last of the elements of my portfolios. I would like to introduce the departmental officers who are assisting me today: Vaughan Levitzke, Chief Executive of Green Industries SA; Ian Harvey, Director, Strategy and Policy; and Catherine Yin, Manager, Finance. Behind me is Josh Wheeler, Manager, Government Business and Marcia Kreinhold, Director, Business.

Green Industries SA, otherwise known as GISA, is an enabler and driver of change supporting the development of the circular economy through diverse collaborations which improve productivity, resilience, resource efficiency and the environment. In 2018-19 the Marshall Liberal government demonstrated its commitment to practical on-the-ground outcomes through its budget provisions. As such, GISA implemented a range of funding programs that facilitated investment in South Australia's resource recovery sector, creating jobs and diverting more material from landfill to productive uses.

A key initiative implemented by the agency in 2018-19 was the government's support package to industry and local government in the face of changing international market conditions for recyclable materials. The implementation of strict standards and bans on the import of recyclable materials by China, as well as other South-East Asian destinations, has created a number of challenges and opportunities for this sector. Over 2018-19, GISA implemented the government's \$12.4 million support package that comprised loans, grants and subsidies to industry and local government as well as a statewide recycling education campaign.

GISA also launched the Which Bin recycling education campaign that commenced in May this year, and I have received very positive feedback from the community about its messaging. Another key initiative for GISA during 2018-19 is their work to address the impacts of single-use plastic products. In January this year I released the 'Turning the tide on single-use plastic products' discussion paper to seek feedback from the community on this matter. I look forward to working with GISA and stakeholders in progressing this work further.

In 2018-19, GISA invested in a second commercialisation of innovation program with South Australian-based company Innovyz, building on the success of the first program which commenced in 2016-17. The waste and recycling sectors of the circular economy have been identified as having high potential for commercialisation of new technologies and innovations and for generating economic activity for the state. Some exciting technologies and innovations have been developed through the program, and I understand that a national search is underway to identify potential ideas and innovations to participate in the second program.

South Australia is recognised as a national and global leader in waste management resource recovery and the circular economy. In 2018-19 GISA delivered a global leadership program on the

circular economy attracting participants from India, Japan and other Australian jurisdictions. During the program leaders and decision-makers from other jurisdictions were presented to by South Australian experts in their field. They also undertook site visits to see the circular economy in practice in SA businesses.

These included commercial composting, large-scale household recycling, manufacturing of wood/plastics composite products from waste materials, community education, container deposit facilities, and recycled water irrigation. South Australian businesses and organisations participated in the program, opening opportunities to export their knowledge and technology. A second global leadership program was held just last week, and I understand another is being held in February 2020.

Building from the success of the 2018-19 state budget, GISA will be releasing the state's next waste strategy covering the period 2020 to 2025 in accordance with the Green Industries SA Act 2004. The strategy will be released for a period of public consultation. GISA is also developing a food waste strategy for South Australia that will be released in 2019-20. That will focus on activities that reduce waste, reduce greenhouse gas emissions, and drive change in industry, local government and the community.

In 2019-20 GISA will be implementing the government's Waste and Recovery Modernisation and Council Transition Package that will build the state's capacities further in this sector. Under this sector \$10 million has been allocated over four years towards supporting investment and industry and local government resource recovery infrastructure. This is complemented by \$2 million over four years that has been allocated to the EPA to further strengthen waste regulation and support the review of South Australian's container deposit legislation. The package will ensure we maximise the full economic return of the sector and generate better environmental outcomes.

I look forward to continuing to work with GISA on these exciting initiatives in 2019-20, and I also look forward to working with parliament on legislation to address the impacts of single-use plastic products.

**Dr CLOSE:** By way of an opening statement I would like to thank the staff, the advisers here for the minister. Thank you for the work you are doing, in particular getting ready for this half an hour at the end of the day. You were also here a little earlier, which was terrific because you heard me start to ask questions in EPA that more properly belong to you.

My first question refers to Budget Paper 5, page 45, and the increase in the solid waste levy. I am interested in what target you have for the volume and weight of solid waste going to landfill over the next few years. What is the projection and what is your expectation?

**The Hon. D.J. SPEIRS:** In recent years the actual modelling has shown that with the rise of the solid waste levy there has been a decline in waste going to landfill and a subsequent rise in recycled, composted or reused waste as well. In the last year or two, however, that trend has been seen to plateau in the historic modelling, and waste to landfill has not gone down.

Even in the most recent year it had up-ticked ever so slightly, and that was of great concern, given our historic national and international leadership in this space, to potentially see a reversal in the historically positive trajectory of waste management in this state. Obviously, that was part of the rationale for increasing the solid waste levy because we have seen, historically, as it has risen, waste and landfill has dropped.

The area which we expect to decline as a result of the focus on the increase in the levy is around municipal waste, largely: in most parts of the state, the red bin and, in a couple of council jurisdictions, the blue bin. That remains in a place where we think there is opportunity for statewide improvement, particularly in the area of food waste, which makes up between 40 and 44 per cent of that residual municipal waste bin.

Food waste is heavy, it is wet and it attracts lots of levy across South Australia's councils. So our projections are that, if councils can get food waste out of the general waste bin—and we think it is relatively easy to do compared with some products; there is an alternative pathway there being the food organics and green waste bin—if we can concentrate on education, working with local councils and in particular apply funding, which the budget includes, towards food waste strategy, we

can shift a considerable proportion of that food waste out of the municipal waste stream and into the compostable stream. That is where the next-step waste will be.

**Dr CLOSE:** How many of the 68 councils do not have a food waste collection system or a green waste collection system that could be adapted to food waste? I am happy if you need to take that on notice to get the details.

**The Hon. D.J. SPEIRS:** We will take that on notice. I understand that the majority of South Australians have access to this because all councils in metropolitan Adelaide, and usually the councils in the near metropolitan areas as well, which includes the Fleurieu etc., have access to this. The councils that do not tend to be in the farther-flung parts of the state because of particular challenges around not having the services and infrastructure in place.

It was heartening, although hard fought, to see the City of Onkaparinga say that they are moving from a monthly green waste collection, which really precludes quality food waste diversion—getting 12 pick-ups a year just does not work for communities. From 1 January this year, and with the support of GISA, the City of Onkaparinga will finally come on board with fortnightly food waste collection. Given that we are the largest council with some 200,000 residents, that in itself will see quite a change in the southern suburbs.

**Dr CLOSE:** What modelling does the government have on how much the waste levy needs to increase to see a reduction in the waste going to landfill?

**The Hon. D.J. SPEIRS:** We do not have any specific modelling. This has proven very hard at a national level to model. The waste to landfill has peaks and troughs to do with development approaches by different councils and the lack of consistency, even climatic factors. However, since the introduction of the levy some two decades ago there has been a general trend downwards when the levy has been increased. That trend has been accelerated with the exception of the last 12 to 18 months of the recording period when a plateau and a small rise took place.

**Dr CLOSE:** As part of the calculation for the increase in funding coming into the Green Industry Fund, because the levy is going up, has there also been a calculation that there might be a reduction in the amount of waste going? It would be even more if we were at this year's amount of waste and the levy was going up—it would be even higher—but it has been trimmed because there is an expectation? If that is the case, can that be quantified for me; if not now, on notice?

**The Hon. D.J. SPEIRS:** We will take that on notice. Certainly, as the minister, I am very conscious that that is a desirable policy outcome that should occur, and we have discussed that. I do not have that modelling on me, but we will take it on notice.

**Dr CLOSE:** I refer to Budget Paper 4, Volume 2, the Green Industries section. The Green Industry Fund itself is not—

**The CHAIR:** Sorry, what page there?

**Dr CLOSE:** I am looking for the page because I had looked at the waste levy with the EPA and I had that page, but then I was told that the Green Industry Fund belongs to you but there is not the word 'Green Industry Fund' in that section.

**The CHAIR:** Page 183, member for Port Adelaide.

**Dr CLOSE:** If we take page 184, perhaps, as the page—

**The CHAIR:** I will take that as well.

**Dr CLOSE:** —that covers the summary of all of the money that comes, I will ask the question that I started to ask in the EPA section. What was the opening balance of the Green Industry Fund at the start of 2018-19?

**The Hon. D.J. SPEIRS:** The current balance at 30 June 2019 was \$131.803 million.

**Dr CLOSE:** And at the start of 2018-19, so 1 July 2018?

**The Hon. D.J. SPEIRS:** It was \$120.35 million.

**Dr CLOSE:** Of the funds expended in 2018-19, what percentage was used to fund climate change initiatives, what percentage was used to fund initiatives to support waste and recycling, and what percentage was used to fund other environmental projects? Again, if you need to take that on notice I understand.

**The Hon. D.J. SPEIRS:** I could probably get that, but it would take the rest of your time, so we will take that on notice.

**Dr CLOSE:** Yes, you would have to calculate the percentages from the—

**The Hon. D.J. SPEIRS:** Yes, we will take that on notice, no problem. We do have those figures.

**Dr CLOSE:** What work is being done with the waste management industry to increase the capacity to manage recycling in South Australia? I say that in particular in the context of the China Sword strategy and other countries now refusing to take contaminated plastic waste. What is being done to build up our industry?

**The Hon. D.J. SPEIRS:** There have been a few different approaches. If we look back to the China Sword assistance package, which was announced I think in May 2018, that was some \$12 million towards a range of projects. Some of the those projects were aimed particularly at enhancing the sophistication and innovation within the South Australian industry and a whole range of grants went out, as well as existing GISA infrastructure grants, which are on a sort of rolling program of being offered to industry.

That enabled a whole range of infrastructure and technological upgrades to enhance the quality of our waste management. Some examples that come off the top of my head include a \$3 million grant to Recycling Plastics Australia, which has invested in a plastics recycling facility down at Kilburn, really ensuring that South Australia has one of the leading plastics recycling facilities in the nation, if not the leading, and enabling us to go so much further in terms of dealing with our waste at home as opposed to sending it interstate or overseas.

Bear in mind, South Australia did not have a huge history of sending things overseas. It happened because it was a commodity that was worth something, but we did have a reasonable level of integrity in the waste management system in South Australia to start with. This assistance package has upskilled the industry and provided support to undertake these upgrades.

As well as that, \$3 million went to Recycling Plastics Australia. There was \$8.803 million towards the construction of new and upgraded materials recovery and processing facilities right across the state, particularly across the metropolitan area as part of the recycling infrastructure grants; \$2.186 million went towards the Trade Waste Initiative in grants towards reducing trade waste load and volume for South Australian food and beverage businesses.

There have been a couple of other things which contribute to this: \$750,000 goes towards the Commercialisation of Innovation Program, which was run by Innovyz a couple of years ago. There is another round occurring shortly, or it is underway at the moment, to run a second commercialisation program for waste recycling and the circular economy. Rather than just providing grants to existing businesses, that is trying to get more innovative businesses off the ground to make South Australia the heart of recycling, re-use and composting nationally.

Then there is funding towards education because all of this will only work if there is a reasonably high level of integrity when it comes to kerbside performance. That simply means putting things in the right bin at the right time. Green waste and food organics go in the green bin and as much recycling as possible goes into the yellow bin, reducing what is available in that general waste bin. Education is a big part of that, so we provide support to industry to increase the quality and the availability of cutting-edge technology and equipment.

But it all has to be backed up by a high level of education on the ground in partnership with councils. The main example of that is the whichbin.com.au advertising program with internet, print media and TV ads which is really trying to lift the knowledge and understanding of effective waste management across the South Australian population.

**Dr CLOSE:** Minister, how much funding has been identified for councils to assist with their management of the impact of the changes in waste management, partly as a result of what has happened internationally? What is that expenditure for?

**The Hon. D.J. SPEIRS:** When the government initiated our response to the China Sword situation, we were quite open about the fact that we were not going to write cheques bailing out councils. We did not think that was an appropriate use of taxpayers' money in South Australia. I am on the record saying that on a number of occasions, particularly because councils benefited from waste as a commodity and the price of that commodity dropped. Some councils were negatively impacted by that but other councils which had not taken such an audacious gamble on some of these things were not badly affected.

I know in my own electorate, the City of Holdfast Bay and the City of Marion were not impacted negatively because they had not gone down that track but other councils had, one being the City of Onkaparinga to the south. That is what happens when you play with free enterprise, I suppose.

However, we certainly said that our assistance package was available to councils to apply for, often in collaboration or partnership with private entities or entities that were run in a commercial way but often owned by councils such as SRWRA in the south and NAWMA in the northern areas of the city.

In 2018-19, GISA committed \$3.16 million in funding to local government and organisations, including regional subsidiaries and individual councils. In 2019-20, local government will be able to apply for approximately \$8.9 million in funding under the Green Industries SA programs. Green Industries SA has a service level agreement with the Local Government Association of South Australia in which annual funding is provided to employ a person who gives waste management support to councils.

I mentioned the City of Onkaparinga earlier moving to a fortnightly green waste pick-up, which we greatly welcome and significantly encouraged. Because the council has decided to take that decision, that will be supported by grants from Green Industries SA to support the distribution of kitchen caddies and the like. It has started to hear me.

**Dr CLOSE:** Siri wants to get involved.

**The Hon. D.J. SPEIRS:** Siri does not understand my accent though, so it does not work for anyone. It is a disaster.

**The Hon. A. PICCOLO:** Siri is not alone.

**The Hon. D.J. SPEIRS:** I will keep talking, so that you—

**The CHAIR:** Order! I know the member for Kavel has a question and I would like to get to him before the time expires.

**The Hon. D.J. SPEIRS:** Anyway, I think—

**Dr CLOSE:** Your question might be quick.

**The Hon. D.J. SPEIRS:** I think I have said enough. Anyway, we are doing lots.

**The CHAIR:** Member for Kavel.

**Mr CREGAN:** Thank you, Chair. I certainly appreciate your indulgence. Can I take the minister to Budget Paper 4, Volume 2, page 186. Can the minister provide further information to the committee regarding the 'Turning the Tide on Single-use Plastic Products' discussion paper?

**The Hon. D.J. SPEIRS:** I thank the member for Kavel for his question. I know he is passionate about reducing waste and I know he gets lots of representations from people who live in his constituency about the need for government to deal with the blight that is single-use plastics on our environment.

While plastics do play an incredibly important role in our economy and daily lives, too often the way they are produced, used and discarded harms the environment. Globally, it is estimated that at least eight million tonnes of plastics end up in our oceans every year.

Earlier this year, I released the 'Turning the Tide on Single-use Plastic Products' discussion paper, seeking feedback regarding single-use plastic products and their impact. We received an overwhelming response from the South Australian community, with 3,500 public responses and 68 written submissions in the six-week consultation period. Responses to that discussion paper indicated overwhelming support that people wanted something done about single-use plastics.

The Marshall Liberal government is committed to keeping our state in a position of leadership when it comes to waste management and resource recovery, and on 6 July this year I announced the government's approach to addressing the impacts of single-use plastic products, taking into account feedback from the turning the tide discussion paper.

The government's approach includes further consultation with business, industry, local government and interest groups via a stakeholder working group regarding the impacts of phasing out single-use plastic products. We will develop legislation to phase out certain single-use plastic products and establish a framework to include other items in the future. We will establish plastic-free precincts to trial the phase-out of certain single-use plastic products in defined areas within our community.

Noting that some single-use items are already the subject of action amongst the community and amongst certain businesses, as well as the availability of alternative products, the following items have been identified by government as the first items to be considered for inclusion in the legislation.

On commencement of the legislation, we will ban plastic straws, plastic cutlery and plastic drink stirrers and, following a 12-month transition period, takeaway expanded polystyrene cups, food and beverage containers and products made from oxo-degradable plastic. Plastics with additives that result in them easily breaking down into smaller fragments will be phased out. A summary of the government's approach, as well as the consultation summary report and other information, is available on the GISA website.

In relation to plastic straws, the government acknowledges that some members of our community rely on them on a daily basis for their particular needs, particularly those within the disability community. This important issue will be considered by the task force to ensure that appropriate exemptions are in place, and also will be piloted in the plastic-free precincts, which will give us the opportunity to get ahead of the game when it comes to working out how the phase-out will occur in a broader sense across the state.

In drafting the legislation, the government can include provisions to ensure that people who rely on plastic straws for reasons such as a disability or medical condition can still access them and are not adversely impacted. I look forward to undertaking further consultation later this year on draft legislation to address the impacts of single-use plastic products.

**The CHAIR:** Member for Port Adelaide, you have five seconds.

**Dr CLOSE:** Thank you. One last question: page 186, same reference as previously. Much of the problem that occurs with single-use plastics that are then thrown away rather than being recycled is that they largely end up in the ocean. Does the minister have a view about the state of the gross pollutant traps along the beachfront in Adelaide and whether there is a role for state government to play in upgrading their quality and performance?

**The CHAIR:** A very brief answer, minister, please.

**The Hon. D.J. SPEIRS:** Very quick. This is something that is raised with me by councils, councillors and people in the community from time to time. I think it is something that ought to be looked at, obviously in partnership with local government that has responsibility for these items of infrastructure, and I am happy to do so.

**The CHAIR:** Alas, there are no further questions. I declare the examination of the proposed payments for the portfolio of Zero Waste/Green Industries SA and the estimate of payments for the

Department for Environment and Water and administered items for the Department for Environment and Water completed. I lay before the committee a draft report.

**Mr PEDERICK:** I move:

That the draft report be the report of the committee.

Motion carried.

At 17:31 the committee concluded.