

**HOUSE OF ASSEMBLY**  
**Tuesday, 24 November 2020**  
**ESTIMATES COMMITTEE B**

**Chair:**

Mr M.J. Cowdrey

**Members:**

Hon. L.W.K. Bignell

Dr S.E. Close

Ms K. Hildyard

Mr S.K. Knoll

Mr P.N. McBride

Mr T.J. Whetstone

*The committee met at 9:00*

**The CHAIR:** Good morning, members. Welcome to Estimates Committee B. Unfortunately, we are experiencing technical difficulties with Hansard. They are currently rebooting the system. I have been asked in the meantime if members can move to suspend until the ringing of the bells.

**Mr WHETSTONE:** I move:

That the committee be suspended until the ringing of the bells.

Motion carried.

*Sitting suspended from 9:01 to 10:00.*

*Estimates Vote*

**DEPARTMENT FOR TRADE AND INVESTMENT, \$44,811,000**

**Minister:**

Hon. S.J.R. Patterson, Minister for Trade and Investment.

**Departmental Advisers:**

Ms L. Muldoon, Chief Executive, Department for Trade and Investment.

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

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

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

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

**The CHAIR:** Good morning and welcome back to Estimates Committee B for the second time today. I will start by making an opening statement and then we will address a couple of issues. The estimates committees are a relatively informal process and, as such, there is no need to stand to ask or answer questions. I understand that the minister and the lead speaker for the opposition have agreed on an approximate time frame for the consideration of proposed payments, which will

facilitate a change of departmental advisers. We will address this shortly at the conclusion of this statement.

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 February 2021.

I propose to allow both the minister and the lead speaker for the opposition to make opening statements of about 10 minutes each, should they wish. There will be a flexible approach to giving the call for asking 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 and referenced. Members unable to complete their questions during the 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, not the minister's advisers. The minister may refer questions to advisers for a response, if appropriate. The committee's examinations will be broadcast in the same manner as 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.

There has been a delay in our start this morning and therefore the agreed time frame for today's examination of payments has been changed. Can we have a proposal from the floor to delay examination of payments for an hour? The timetable is to remain the same but pushed back by an hour from the 9 o'clock period through to 12.15. We will then condense the lunch break to half an hour. That will be from 1.15 to 1.45 and the remainder of the session will be half an hour delayed, so the post lunch break session will start at 1.45.

**Mr KNOLL:** I move:

That the examination of payments be delayed for one hour.

Motion carried.

**The CHAIR:** The change to the program has been agreed. I will now open the proposed payments for this morning. The portfolio for examination today before Estimates Committee B is the Department for Trade and Investment. The minister appearing is the Minister for Trade and Investment. I declare the proposed payments open for examination and refer members to the Agency Statements, Volume 4. I call on the minister to make an opening statement if he so wishes and to introduce his advisers.

**The Hon. S.J.R. PATTERSON:** Thank you, Chair, and good morning, everyone. Thank you for the opportunity to outline the great work and achievements of the Department for Trade and Investment during the last year. It also gives me an opportunity to explain some of the key challenges that we have faced and overcome during this unprecedented period of global disruption due to the COVID-19 pandemic.

I would just like to introduce you to the departmental representatives here today. To my left is Ms Leonie Muldoon, who is the Chief Executive. Behind me are Ms Megan Antcliff, the Deputy Chief Executive; Ms Sophie Adlaf, Director, Strategic Operations; Ms Rebecca Lang, Manager, Finance Procurement and Facilities; and Mr Justin Ross, Director, Policy and Analytics.

There is no question that 2020 has been a year unlike any other. It has presented challenges and shocks, and it has fundamentally disrupted economies at local, national and global levels. 2020 has been one of the most difficult years anyone has ever experienced and perhaps will have

to experience, but through this our resilience and strength to continue moving forward has triumphed, continuing to drive the Marshall government's jobs and economic growth agenda.

COVID-19 has significantly impacted the South Australian economy. The restrictions around borders, both domestic and international, have limited the movement of people within the community and, as a result, businesses and livelihoods have suffered. Impacts on trade and investment are undeniable, especially in our tourism, international education and premium food exports, which have all been affected by the reduction of international freight and passenger flights and associated border controls.

Navigating through these challenges has meant a lot of tough decisions have been made not only to protect the health of all South Australians but to minimise the impact on our economy and the devastating effects of this pandemic. It has prompted new ways of thinking and new forms of engagement. We have supported our South Australian exporters to weather the storm of these challenges, and it is a huge focus of the Department for Trade and Investment.

In May, the department launched the new eCommerce Accelerator Program (eCAP) for companies wanting to find new customers and sell their products online to international buyers. A total of 95 recipients have since been allocated funding under this program, sharing in more than \$930,000 in grants. We also rolled out an Export Fundamentals Program to help around 400 emerging and existing exporters successfully market their products and services internationally and drive local jobs growth over a two-year period.

In conjunction with Austrade, we have continued to administer the South Australian Export Accelerator Program, and 91 companies have been awarded funding to date through this program, including five offered through a special bushfire round. Most recently, the department has also launched the \$2.3 million Global Expansion Program. This is aimed at supporting South Australian businesses with solid local growth who are keen to diversify into new markets or boost their presence in existing markets. The program will be delivered over four years to support more South Australian businesses to expand their reach around the globe.

Our government responded quickly when the border restrictions led to the cessation of international flights by establishing the Export Recovery Taskforce. Through the task force, we have worked closely with industry to reopen trade routes and address the issues affecting our exporters, particularly those who export valuable and highly perishable foods.

The task force proved crucial in securing funding from the federal government's International Freight Assistance Mechanism (IFAM). IFAM has ensured direct international airfreight routes from Adelaide for exporters, with weekly freight flights operated by Singapore Airlines, Cathay Pacific and Qatar Airways to Singapore, Hong Kong and Doha. To date, IFAM-supported flights have delivered over 1,000 tonnes of South Australian exports to international markets.

Of course, travel restrictions have had a significant impact on international education. Despite the challenges, enrolment numbers continue to increase, which is an incredible achievement and a definite vote of confidence in our education sector. We continue to work with our international education providers and StudyAdelaide to promote South Australia as an attractive place to study and also to return international students when it is safe to do so.

In what has been an incredibly challenging year, the department has also continued to deliver on the investment front, attracting significant global companies and creating thousands of jobs. As the budget papers outline, the department has been able to attract \$609 million of investments, creating 2,668 jobs. We have also seen South Australia capture 15 per cent of foreign direct investment in the year to March 2020, which is well above our national population share and above our target of 6 per cent.

Under the department's South Australian Landing Pad program we continue to attract international companies with high-growth potential such as Cellr, LGM and Lux Aerobot, to name some. A recent example of my department's great work is attracting Accenture to establish in South Australia. Accenture is one of the world's largest technology and professional services firms. In September this year Accenture announced they will establish the Accenture Adelaide hub. This is expected to create up to 2,000 new jobs over the next five years.

We are attracting brilliant minds from all over the globe, and in doing so, we are not just showcasing our talent; we are building our innovative ecosystem and importantly building the workforce of the future.

Other investment success stories for South Australia that have come to life this year include the establishment of the MIT Living Lab, South Korean pharma company Yuhan Pharmaceuticals, DP Energy and Perigee Aerospace. We are positioning South Australia as a magnet for investors, creators and innovators. We are creating the home to pioneering enterprise and exciting new industries as we continue to drive the southern shift, and this success will only breed more success.

Since 2019, the Department for Trade and Investment has been working closely with Food SA and Showcase SA to support local businesses through the management of the state brand and I Choose SA to ensure local businesses can leverage these valuable assets. The department is focusing on increasing the number of businesses registered for this brand.

Given the scale of the economic impact caused by the bushfires and COVID-19, the government, industry organisations and South Australian businesses came together to promote the I Choose SA message and encourage South Australians to buy local, reaching 950,000 South Australians. From 1 July 2019 to 30 September 2020, the department has approved 700 applications for the brand mark and I Choose SA. There are now 7,424 registrants in total.

To increase exports and grow international business, we have opened offices in China, Japan, the United States of America and the United Arab Emirates, along with continued representation in Hong Kong, Malaysia, and the United Kingdom. We have also placed South Australian representatives in Korea and India. I am happy to provide more information to the committee on the extensive work being done to expand our overseas presence. We will look to open our fifth office in South East Asia soon.

At this time, when our businesses and project proponents cannot travel, the overseas network provides vital support enabling them to continue to trade globally and fostering discussions and facilitation of foreign direct investment into South Australia.

Whilst the past year has presented massive unexpected challenges that have tested our response, there is reason to be optimistic. We have been able deliver significant outcomes across Trade and Investment, attracting businesses and creating jobs while assisting local exports to reach new markets and ensuring existing exports can get their products and services to market in a timely and efficient manner. It is also likely that with good seasonal conditions and commodity prices holding as well as a competitive exchange rate there are further positives for us to rebuild on.

While we are seeking every job-creating opportunity, my agency continues to implement the key strategies to support existing industry to grow while building the industries of the future through the Growth State plan that will grow South Australia's economy. Again, I am happy to provide an update on how the department has been driving the Growth State plan to the committee later on.

The Department for Trade and Investment is positioned as the central agency behind the government's 3 per cent growth agenda, and I look forward to continuing the work across government with my colleagues to deliver upon this. Thank you.

**The CHAIR:** Thank you, minister. Lead speaker for the opposition, did you wish to make an opening statement?

**Dr CLOSE:** Thank you, Chair. Not other than to thank the members of the department who have appeared today and to say I look forward to asking questions.

**The CHAIR:** Very good. And with that can we call for questions for members? The member for Port Adelaide.

**Dr CLOSE:** Chair, if I may, I will start with the omnibus questions, because I am not sure how long they take to read, and then we know we have disposed of them and we know how long we have to ask questions. I know it is a bit more tedium, but I will go as fast as I can.

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

- What is the actual FTE count at 30 June 2020 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. For each department and agency reporting to the minister:
- How much is budgeted to be spent on goods and services for 2020-21, and for each of the years of the forward estimates period?
  - The top ten providers of goods and services by value to each agency reporting to the minister for 2019-20; and
  - A description of the goods and/or services provided by each of these top ten providers, and the cost to the agency for these goods and/or services?
  - The value of the goods and services that was supplied to the agency by South Australian suppliers.
3. Between 1 July 2019 and 30 June 2020, 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?
4. Will the minister provide a detailed breakdown of expenditure on consultants and contractors above \$10,000 between 1 July 2019 and 30 June 2020 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?
5. For each department and agency for which the minister has responsibility:
- How many FTEs were employed to provide communication and promotion activities in 2019-20 and what was their employment expense?
  - How many FTEs are budgeted to provide communication and promotion activities in 2020-21, 2021-22, 2022-23 and 2023-24 and what is their estimated employment expense?
  - The total cost of government-paid advertising, including campaigns, across all mediums in 2019-20 and budgeted cost for 2020-21.
6. 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 2019 and 30 June 2020.
7. What is the title and total employment cost of each individual staff member in the minister's office as at 30 June 2020, including all departmental employees seconded to ministerial offices?
8. For each department and agency reporting to the minister, could you detail:

- (a) How much was spent on targeted voluntary separation packages in 2019-20?
- (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?

9. For each department and agency reporting to the minister, how many executive terminations have occurred since 1 July 2019 and what is the value of executive termination payments made?

10. For each department and agency reporting to the minister, what new executive appointments have been made since 1 July 2019, and what is the annual salary, and total employment cost for each position?

11. 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?

12. In the 2019-20 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 2020-21?

13. In the 2019-20 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 2020-21? How was much sought and how much was approved?

14. For each grant program or fund the minister is responsible for please provide the following information for 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 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.

15. For the period of 1 July 2019 to 30 June 2020, 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.

16. For each year of the forward estimates, please provide the name and budgeted expenditure across the 2020-21, 2021-22, 2022-23 and 2023-24 financial years for each individual investing expenditure project administered by or on behalf of all departments and agencies reporting to the minister.

17. 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.

18. For each department and agency reporting to the minister, what is the total cost of machinery of government changes since 1 July 2019 and please provide a breakdown of those costs?

19. For each department and agency reporting to the minister, what new sections of your department or agency have been established since 1 July 2019 and what is their purpose?

20. 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?

It would be great if we could table these 20 omnibus questions. If we can look at Budget Paper 4, Volume 4, page 136, Program 1: Trade and Investment, objective. How many jobs in South Australia are related to the export of our goods and services?

**The Hon. S.J.R. PATTERSON:** I will just confirm that we are talking about the right line, member for Port Adelaide. My CE, Leonie, is slightly deaf, so it is hard for her to hear. Were you on page 136, highlights, the 2019-20 figures?

**Dr CLOSE:** That is right. It was Program 1: Trade and Investment, description/objective:

Develop and implement strategies and programs that facilitate international exports and high value jobs growth.

My question was: how many jobs are currently related to the export of goods and services in South Australia?

**The Hon. S.J.R. PATTERSON:** In terms of that line, 'Develop and implement strategies,' I will talk more generally to start off with in terms of how we are going with exports. Because of the coronavirus there have been substantial impacts on face-to-face meetings because of international travel restrictions, so necessarily that has meant those face-to-face meetings cannot occur. In lieu of that, the department has been working hard on providing a digital presence to connect our exporters to market and working in conjunction with our trade offices.

Some of those programs, which I can go through in more detail later, are our Export Accelerator Program. That helps our exporters get to market quickly and expand into new markets as well, or into existing markets. As they grow their exports, that means they get more income and that gives them confidence to create jobs. More fundamentally as well, to assist those exporters in South Australia, because while they are exporting out to the world they are based in South Australia, so they are subject to the cost of doing business in South Australia.

As a government we have been mindful, and this budget talks to that, of lowering the costs of doing business, lowering payroll tax specifically. Already we have put in place payroll tax reductions for small businesses, those with a payroll of \$1.5 million or less. This budget also takes into account those larger businesses, up to a turnover of \$4 million, that have big payrolls and requires them to put their money into basically investing in their business, investing in their employees, so we have waived that for 15 months, which is a massive assistance to them.

Out of those exporters we are able to work with them, and we are also trying to attract companies into South Australia that will also have an export focus. We want them not only to sell into South Australia, but would like to base them here and sell their products on the way out. As an example of the—

**Dr CLOSE:** Excuse me, Chair. I am sorry to interrupt. I appreciate there is time in this role, and I do not mean to make things difficult, but we do not have terribly long and I have asked quite a specific question about jobs associated with export of goods and services in South Australia. If the minister does not have the number of jobs that you use, then I am very happy for that to be taken on notice. The general information that is actually publicly available currently probably does not help us get through the number of questions that we have.

**The Hon. S.J.R. PATTERSON:** What I was alluding to was that when we create jobs, some of these jobs are providing commerce in South Australia and they are also exporting some of the attractions. I will give that to you on notice. I will take that on notice to give you an exact figure. I was just trying to be assistive at the moment. I am advised that more than half of that figure you could tie back to exports.

For example, some of the companies, as I said, have come here to set up their business, of course to sell into South Australia, so you could say some of those jobs are for South Australian commerce, but they are exporting as well. Say, for example, a company brought in 100 jobs, how many of those jobs are export and how many are just the normal cost of doing business? I am advised that more than half you could tie to exports, but I will come back on notice with an exact figure, if I can do so.

**Dr CLOSE:** On that same line, I understand that pre-COVID there was an estimate that the government had that something like 79,000 jobs in South Australia were associated with the export of goods and services. In coming back, it would be useful if there is a revised estimate in the wake of COVID; that would be helpful. I am also interested in how many businesses are currently considered as exporters who are based in South Australia, if there is a working estimate that the department uses.

**The Hon. S.J.R. PATTERSON:** In terms of an exact number, again I think that is something that we can come back to you on. In regard to your concerns, to provide a bit of information that might help you on the export frame, I am advised, as I said before in my previous answer, that we run a number of export programs to help build the capacity and capability of our businesses.

I spoke previously of the Export Fundamentals Program. That is for businesses that are starting out, looking to export. We also have the Export Accelerator Program, which is for businesses that are already exporting but seeking to boost their sales into either the existing market they are in or alternative markets. In terms of those programs, the department has delivered export services to 1,498 businesses. That was between 1 July 2019 and 30 June 2020.

Another example was the eCommerce Accelerator Program (eCAP). That had 95 applications and approved funding of \$931,326. Again, that is another example. That is skilling them up. On the bigger picture about where exports are going as well, I think, yes, with coronavirus there is no doubt that it has impacted both South Australia, Australia, but also the world. Key to our getting through this has been listening to the health experts and getting the health response right to allow our exporters to continue to export.

If I look at some figures for the 12 months to September 2020, South Australia's overseas goods exports totalled \$11.3 billion, which is up 0.3 per cent on the previous 12 months. There is no doubt that times are difficult, but the overall exporting of the state is still holding up and I think that is a credit to our exporters. They have had to adapt. It certainly has been a challenging year for them. By working with industry and stakeholders, the government is really trying to help our exporters because we see that they are fundamental, really, to growing our economy going forward. That then allows those companies to be profitable and, from that, create jobs.

**Dr CLOSE:** It is widely understood there are trade tensions with China. It is not clear what the trajectory will be, but has the department undertaken any modelling on likely impact on South Australia's gross state product and employment, should those trade tensions continue?

**The CHAIR:** Do you have a budget reference, member for Port Adelaide?

**Dr CLOSE:** It is the same budget reference: the export growth.

**The Hon. S.J.R. PATTERSON:** In relation to China, it is certainly true that China is a critical trading partner for South Australia. We have a long history of engagement with China. I can give you an example: the sister state agreement with the Shandong province, which has been in place for many years. I think it is worth taking a bit of a step back. This comes in the context, as I said before, of more significant challenges in terms of exports in general. We talked about, really, the major disruption that the COVID pandemic has had to trade throughout the world; so not just Australia, South Australia, but also the world.



Very early on in the piece, our department set up the Export Recovery Taskforce. That really focused on some of the key challenges that our exporters were going to have, and that includes exporting into China because, as I said before, these face-to-face meetings that would usually be relied on by exporters to try to expand their product offering and expand their export markets were taken away.

Thankfully, we have in place a very worthwhile trade office network and that has been predicated on looking at what markets are compatible with our competitive strength. We talked about those Growth State sectors and how we think it could potentially affect those. Those Growth State sectors are put in place predominately around asking what are our strengths as a state that we can compete on a global competitive market. It is undeniable that we cannot be all things to all people; we have to look to what industries are future focused.

This Export Recovery Taskforce was based around that. It got around the table representatives from Austrade, representatives from our department, key stakeholders and exporters into China and into other markets as well. Even prior to that, it was undeniable that our wine sector, for example, is a key export sector for us, growing I think towards the \$2 billion mark. A significant portion of that is into China, so like many businesses as well, it is about realising that if you want to grow your sales, yes, you can grow into one single market but you can also look to grow across markets.

We have been looking to grow into other wine markets, even prior to COVID and these trade tensions. One of the mechanisms, one of the programs, was the wine industry exports recovery program. That has 10 projects and looks to go into seven markets to help promote South Australian premium wine. This will be taking place in the 2020-21 financial year. Each of these projects is supported by a representative in our overseas offices, with the program again having a strong online focus, including virtual wine-tastings, because face-to-face is not available. This has already led to some direct export contracts.

The trade tensions you speak of are principally worked through at a national level. We are very lucky in South Australia that the federal Minister for Trade, Tourism and Investment is Senator Birmingham, who is a South Australian. As the minister in South Australia, I have been working with him, providing him information about what is going on on the ground in those markets. As I said, the trade offices we have in China are able to feed through market intelligence about what is going on and what the challenges are.

I think Senator Birmingham, alongside myself, has been quite positive that our South Australian wine producers are producing a premium product. Because of that, it is priced well. Actually, the sales are quite high, and the price that is paid for them by the importers in China and throughout the world is high. We do not agree at all that the dumping allegations by the Ministry of Commerce in China are correct, so we are putting our best case forward. We are helping those wine exporters. We have to take it at face value and go through this process and help our exporters into China.

I feel we have good relations with China at a state level as well, with Madame He, who is the Chinese consul in South Australia. I have met with her and talked with her and provided an update on the health situation here and how that is impacting international students, because of course we want to ensure that the proportion of students who are Chinese are assisted. We want to know whether there is anything that we as a government can do and also give assurance to Madame He from that point of view. She has subsequently written back, and I do feel that there is a positive relationship there, because our relationship is more on the trade level. I think that is where we have to take things at face value and know that our relationship is good also.

Even most recently, we have had the RCEP (Regional Comprehensive Economic Partnership) approved, which is a partnership of 15 nations in the ASEAN-Oceania region that includes China, South Korea and Japan. We feel as confident as we can and, as the federal minister has said, we have to let the process run out and work through that. We are working with industry to ensure that we can assist them to basically put their case forward, because we recognise that China is a very valuable market. We provide high-quality produce and goods to them, which their consumer market has certainly shown a history of purchasing.

**Dr CLOSE:** Other than Madame He, who is based in South Australia obviously, have you had any discussions with government officials from China, particularly from the Shandong province directly—conversations about trade—since taking on this role?

**The Hon. S.J.R. PATTERSON:** As I said before, I have had meetings with the consul general, Madame He. She is the primary interface that we have as a government back through to China. We have our trade offices in China, four of them. They provide in-market intelligence back to us. As an example, there are also other opportunities that we have as a state around joint partnerships in terms of the establishment of five joint laboratories with the Shandong Academy of Sciences, which is in Jinan in China. That provides us an opportunity to have research into a number of our key growth sectors.

I rely on a really good working relationship, as does the Premier. I should note that the Premier has also liaised and met with Madame He. Just recently, he took her on a tour out to the Waite institute. I think there is a real opportunity, because of our expertise in this agricultural science domain, to really assist the Chinese domestic market in terms of their food growth. We share that intelligence. I see that as a real positive. Certainly, Madame He, as the Consul General in South Australia, has good connections into other official sources in China.

**Dr CLOSE:** If I turn to Budget Paper 4, Volume 4, page 135, one of the key agency outputs is, 'Facilitate increased and more diverse exports from South Australian businesses'. What is the strategy to increase South Australian export diversification?

**The Hon. S.J.R. PATTERSON:** If we look at the fundamentals of how we are going to facilitate as a government the development implication of growth for these sectors, primarily it is based around the Joyce report that was delivered back in February 2019 and outlined how we need to play to our strengths as a state, to look at some key sectors that are future focused as well, making sure we are going to try to grow those industries of the future that are going to continue to grow and be able to compete globally. We have seen the impacts on globalisation that have occurred.

One of the key tenets around this has then led to our Growth State plan. It is a 10-year industry-led growth strategy. It is developed in nine key priority sectors of the economy where we do have a competitive advantage, if I can talk to that. There is the defence industry; space industry; creative industries; high tech; energy and mining; health and medical industries; food, wine and agribusiness; international education; and tourism.

The idea is we have engaged with industry to find out what they need to be able to grow into the future over that 10-year span. Really, the aim is for them to combine to help achieve 3 per cent annual growth, on average, in our gross state product. Obviously, external shocks, such as we are experiencing now, may impact that, but I should say that those sectors even through this have been able to stand up well. So we are looking at industry leading those plans to stand up and grow into the future.

If I could talk in a way to the high-tech sector as well and some of those opportunities there, it is also about creating precincts and centres of excellence so that we can actually continue to attract those businesses that then will create that export chain out to the world. For example, Lot Fourteen is a fantastic precinct that has some real centres of excellence that are world leading. The Australian Institute of Machine Learning is based there. It is one of the top, certainly one of the top three, universities in the world to do with artificial intelligence.

Having that knowledge base there is going to be really important for our state because that will play into helping a number of these other sectors, whether that is defence, whether that is cyber, whether that is energy and mining, health and medical, for example, to use this artificial intelligence to basically increase the capability of our exporters, of all businesses in South Australia, because that then allows them to get ahead in the market and to produce an offering that will then be attractive to the world. We see that those fundamentals are really important.

Other, I suppose you would say, centres of excellence are based at Lot Fourteen. There was the fantastic announcement from the Prime Minister about the Australian Space Agency being based in South Australia. That was based here primarily because the space sector in South Australia is commercially led. Rather than the traditional old space where you have significant government investments to stand these sectors up, we now have a thriving commercial space ecosystem in South

Australia. Having that there also attracts other significant businesses into South Australia that will certainly help grow, I would say, the capability of businesses.

That in turn allows for continued investments. Not only does it give a job pathway to talented graduates but it also allows our existing workforce to re-skill. We have a significant re-skilling in place in this budget, recognising that, yes, not only do you need businesses in place but to be able to attract businesses and grow businesses in South Australia you also have to have that skills base there and be able to train people effectively. We have shown as a government, by putting significant resource into that, we have had a significant uptick in those undertaking training courses in South Australia.

In terms of crystallising how that plays out, from our export point of view, you have your traditional merchandise and commodity exports but also our service exports. By growing our service exports as a percentage of our overall exports, it will provide more resilience to our exports which then in turn helps out in terms of facilitating development of these industries. The service exports, I am advised, grew by 13 per cent in the last calendar year, which is a significant growth, especially in light of some of the challenges we are facing.

We are confident in this strategy going forward and that putting in those fundamentals—and I have talked previously about lower costs of doing business—will provide development for industry-led growth. As I said, our gross state plan relies on its industry-led growth and, out of that, we will have further progress in our economy.

**Dr CLOSE:** Continuing with Budget Paper 4, Volume 4, page 135, as to facilitating increased and more diverse exports from South Australian businesses, does the government have any regional-specific trade strategies that are currently active?

**The Hon. S.J.R. PATTERSON:** As a government we value the regions and, since coming to government, we have had an additional focus on the regions. We have members of the committee here from the regions who have spoken most stridently about the benefits that their electorates and regions have had by having that concentrated focus on them. We know that the regions—say, food, wine and agriculture as an example—provide a massive share of our overall economy. They represent a big share, disproportionately to the population base as well.

We are really thankful to them. They have had challenging conditions this year, whether that be through drought, which has had some significant impacts; the bushfires as well, really challenging bushfires, whether that be Kangaroo Island, the Adelaide Hills or Yorke Peninsula. Only last week there were fires near Coomandook. It is a challenge to the regions. As a government, we recognise that the regions are a key to our growth, so via TradeStart we have representatives in the regions. We are also at this point in time advertising for further staff to work in these regions because we need them to be trade specialists, making sure we have people on the ground.

I just did a tour up to Port Pirie and Port Bonython. I went through and saw some of our grain exporters and some of the great work they do and the organisation they have to help get that grain to market. I was accompanied by one of our TradeStart officers who travelled from Port Lincoln to meet me which was fantastic.

If I could just talk to where some of those locations are, I have a regional manager in the Far North, another regional manager in the Murraylands and regional managers for the Mid North, Kangaroo Island, Fleurieu Peninsula and Adelaide Hills as well. They are key conduits between business, departments and our export markets.

I talked before about bushfires. They did have an impact on some of our exporters. As a government, we recognised this and provided a dedicated round of the South Australian Export Accelerator Program to support those exporters that had been impacted by bushfires, to allow them to recover their export activities. The bushfire round was designed to meet the needs of exporters that were impacted. The response was designed after consultation with our exporters. It has included the development of new program guidelines.

Grants were assessed by an independent panel against merit-based selection criteria. This obviously cannot overcome all the challenges from the bushfires, but they are there to help. If I could talk about some of the programs that were digitised, provided in a digital manner, I will talk about the

Export Fundamentals Program, which was delivered online. That makes it really attractive for people in our regions as well. Previously, they would have to come into the city and do a full-day course. So that has taken them out of their region into the city for the full day. Rather than that—

**Dr CLOSE:** Sorry, Chair. Again, I really hate to interrupt, and it is a lack of clarity in my question. It is important that the regions in South Australia are able to export. What I am asking about is the global region in which we reside and specific strategies to sell into our region, the Pacific region, or any other specific region.

**The Hon. S.J.R. PATTERSON:** I apologise, but I enjoyed talking about the regions. Let me frame that again. I appreciate that.

**Dr CLOSE:** The Pacific region, the Subcontinent, the Middle East.

**The CHAIR:** To be clear, member for Port Adelaide, our region and any other region around the world as well.

**Dr CLOSE:** Indeed, any region-specific trade strategies that say, 'This is the region we now want to export to as part of our diversification program.'

**The Hon. S.J.R. PATTERSON:** We will now reframe it. Thank you for that, and we give credit to our near regions. In terms of where we sit in the global context, I think basically we sit in a really growing part of the world in the Asia-Pacific area. There is a massive growing middle class throughout the ASEAN region, throughout India and throughout China. As I said before, our strategy is really to play to our strengths. What sectors of the South Australian economy can compete at a global level to allow us to sell into those regions?

We really feel as a government that one of the important ways we can connect with these markets is, as I said, to look at these Growth State sectors and ask, for each region within the overall global context, how do their strengths match up with ours? It is not only looking into Asia but looking at other regions as well. The US is an important destination for us. It certainly has the most foreign direct investment.

**Dr CLOSE:** Do you have any published strategies that are aimed at this, 'This is what we are going to do, and this is how we are going to know if we have done it well.' That is really my question. Sorry to interrupt, but we are running out of time.

**The Hon. S.J.R. PATTERSON:** That is okay. The underpinnings of this is growing into our Growth State sectors. We are then looking at, okay, how can we put in place on the ground representation in our trade offices? We see that as a really important strategy to grow in these markets. It gives on the ground intelligence to them.

So if I talk to that. If I look at the time line, since coming to government we have opened up a trade office in Shanghai, in November 2018, that co-locates with Austrade, so the strategy is to work in with Austrade. We then opened up a trade office in Tokyo, in March 2019. That is working in unison with our existing presence there. We have also opened up an office in Seoul, South Korea. That is in the Asia region.

In terms of the United States, we opened a up trade office in Houston. That was opened in 2020—early days, before COVID. Most recently, we opened up the New York office. Alongside that, recognising some of the other growing regions—the Middle East and India—we have opened up a trade office in Dubai as well.

We see these really as fundamental. We also have, of course, the consulate office in the UK. That has a significant focus on commerce as well, especially in light of the fact that, with the UK leaving the European Union, there are certainly opportunities there. Out of that, these offices have business plans in place to say what are the key strengths that South Australia brings to that particular region? How can they help our exporters? How can they get investments?

If I look to these business plans, they have provided services to the South Australian companies here. To 30 June 2020, we have provided 1,200 trade services, including inbound mission support and new buyer connections; we have provided market advice and intelligence to 600 Australian companies; and we have facilitated and recruited potential importers and buyers for 14 inbound missions, collaborating with the industry.

That is one way. Another way is connecting digitally, so how can we assist South Australia? You will remember I spoke in parliament about our Invest in South Australia website. That brings together investment-ready proposals from South Australia to investors. This is a great means for investor-ready projects in South Australia to try to attract international attention. We can work in conjunction with our trade offices. This website also provides details into the department officials, so that allows interested businesses that are wanting to invest in South Australia to connect in with our department and talk to them.

This budget also looks to allocate funds for a virtual business matching program. It is effectively an equivalent website to the Invest in South Australia website, and it is designed around connecting up exporters and export-ready programs. They are some of the specific examples. I have talked about our Export Accelerator Program as well. They all work in together.

If I could talk to a specific example of how our Growth State strategy also lends itself to growing our economy in South Australia, we have fantastic renewable energy resources in South Australia, whether that is solar or wind, and of course we have a lot of land mass where we can make use of that. There are certainly emerging opportunities in the realm of capturing some of that intermittent energy. There are batteries that can be used to store it, but also there are investigations and I think some fantastic opportunities in terms of hydrogen and also green ammonia, which is another way of capturing hydrogen.

So these renewable resources, wind or solar, are able to convert water—split it apart via an electrolyser—into hydrogen. That is a big opportunity for us. This budget even looks to where those hydrogen projects could be stood up. We have recognised, as a government, that not only can this be used in South Australia, it can also lend itself to export opportunities.

I talked about RCEP before, so Japan and South Korea, two significant economies in our region, are looking at standing up a hydrogen industry. Of course, they are beset by having a small geography with a significant amount of that being covered by their population base. We see a key role that South Australia can play in terms of being able to assist them and export hydrogen into those countries.

Mitsubishi Heavy Industries is certainly very interested in this opportunity in South Australia. Their industries have got behind their government, in terms of the government's ambitions to reduce carbon emissions. We see this as fantastic for our state because not only can we help reduce emissions in South Australia, we know that on a global scale Australia's carbon emissions really represent a very small percentage of the overall global emissions, so even if we reduced ours to zero, there would be significant challenges from a global perspective.

By hooking in and really working and trying to grow this export opportunity for hydrogen, we see that as effectively a way of our state being able to assist from a carbon emissions reduction point of view globally, as well. We see that as a significant opportunity. Potentially, that could lead to, at this stage, more than \$200 million of investment, looking to see if that could be stood up near, in or around Port Bonython.

This government has invested \$37 million in this budget towards the maintenance of that Port Bonython jetty, in part, to make sure that it is fit for purpose should that opportunity arise. We see ourselves as being able to be the nation's capital to scale up hydrogen. I think that is a really exciting way of how our gross state sectors are looking to the future of how we can grow.

I will perhaps talk a little bit about the US market, as well. It is an important market to us.

**Dr CLOSE:** Sorry, Chair, is it the case that we are now out of time?

**The CHAIR:** No, we are until 11.30.

**Dr CLOSE:** It was only an hour session, though, was it not?

**The CHAIR:** No, an hour and a half the first session.

**Dr CLOSE:** It was an hour in my diary. Excellent, good news.

**The CHAIR:** Your diary might not necessarily be correct.

**Dr CLOSE:** No, I am pleased. We strayed some way from the question about whether you have region-specific trade strategies, such as an India trade strategy or a Middle East trade strategy. I wonder if we could move on.

**The Hon. S.J.R. PATTERSON:** We have a Growth State strategy. I will just finish on the US and some of the ways that we are working on that. Our food and agricultural sector is very important and so our Houston office has been working with one of the retailers there in the US introducing South Australian produce, premium produce into that market. I think there are great opportunities there, as well.

**Dr CLOSE:** In Budget Paper 4, Volume 4, page 136, agency highlights—we are now talking about investment attraction—there is a claim in the highlights of attracting \$609 million of investments which created 2,668 jobs in South Australia. How many of the projects that contributed to that \$609 million of investment were secured under the Investment Attraction South Australia agency?

**The Hon. S.J.R. PATTERSON:** If I could just give a bit of a breakdown on those: for 2019-20 the department secured 26 investment outcomes that go into that \$609 million. A total of 14 of these projects were through the department's investment facilitation. Not all of them were involved. It was the department's work, but also at a broader level the state government's fundamentals around why come to South Australia. That is around the low-cost environments, but also standing up some of these centres of excellence. I will talk to that a little bit later.

Around Lot Fourteen, I talked about the Australian Institute for Machine Learning, which is a fantastic centre of excellence. We also attracted a further 12 investment outcomes, secured through facilitating the South Australian Landing Pad program. These fed into further investment into South Australia.

I am advised that all of this \$609 million, which can be attributed to these projects, is directly from the department's attraction fund. None of that comes from the previous fund you spoke of. When I talk about funds, as I said before, as an agency we are trying to rely on fundamentals to attract business. Business on the whole, when thinking about where they want to set up, there are so many factors involved around that. To think that providing funds is the only way to attract business, we have proven as a government that the way about it is a low-cost environment with a concentration on our strengths.

I talked about the South Australian Institute for Machine Learning: that has been able to attract one of those projects that I spoke of, the Massachusetts Institute of Technology. They have been attracted to South Australia to set up the MIT Living Lab. They have partnered with BankSA and Optus, and this is a fantastic opportunity to really bring to South Australia researchers who are world renowned—Professor Sandy Pentland as well, who is world renowned in this regard, from MIT. It is a global institution that has come here to South Australia, having been attracted because of our environment and the great work the department has done in securing this investment outcome.

That has flow-on effects as well, because you are going to have other institutions look at this and go, 'What's going on in Adelaide, we want to be a part of this.' I talked before about Accenture, which is another one of those companies that have been attracted to South Australia based on those fundamentals. That will set up terrific opportunities for talented South Australians in cyber and defence, and will not only provide opportunities for South Australians here but also we are seeing it as becoming a magnet for South Australians who have either gone interstate or overseas to come back here and turn around that net interstate migration we were faced with.

We had a 5,000 to 8,000 net interstate migration when we came to government, and we are trying to turn that around, and we have successfully done that. I think that the latest figures show we have cancelled that net interstate migration, so it is now in positive territory. Other companies that we have attracted here include the South Korean pharmaceutical company Yuhan Pharmaceuticals, which has established a permanent clinical presence in South Australia. We see this as a fantastic example again of looking to our sector's plans. The health and medical industries are a strong sector for us, and we are really trying to bring in that.

I do not want to provide misinformation, I will get back to you to make doubly sure that all those projects stood up have been worked through the department as well. Certainly, the Landing Pad program is a great initiative we have set up in South Australia that again looks to how we can

attract businesses that want to come to South Australia and be stood up here. It was established in July 2019.

We have attracted 12 businesses here. I spoke in my opening statement about a few of them, and it would be a good opportunity to talk about them in more detail. I mentioned Lux Aerobot. That is a Canadian company that specialises in the design, manufacturing and operation of atmospheric satellites for Earth observation. Their atmosats capture near real-time high resolution images of the surface of the planet. This is expected to create 30 jobs over five years. It is just, again, building them out, but then we see them building out that ecosystem in South Australia.

I talked also about Cellr. That is an Australian company. It has been approved to come here via the Landing Pad program. It is addressing the \$17 billion counterfeit wine issue with world-first chip technology, providing a tracking, authentication and marketing platform. That is expected to create 16 jobs. That is another example. It will assist wine exporters as well.

Counterfeit wine throughout the world basically steals a significant amount of money every day from our premium South Australian wine and Australian wine. We see this as very important in that providence piece, making sure that you can see that our wine has come from South Australia. It has been tracked the whole way through and has not been altered.

I will talk about Tyvak International as well. They have come here. They are really important, again in satellites. Squad Australia is a French company, a cybersecurity company. They are looking to do work to assist our defence industry. We really need to make sure that we seize that opportunity. We have this significant defence program in South Australia, the shipbuilding program, the airborne electronic warfare base. For us to seize that opportunity, we need to upskill South Australian businesses to have cyber strength. Squad will be able to help out with that.

I talked about Accenture as well. They are setting up their Accenture Adelaide Hub here. One of the key focus areas they have is in cyber as well. This is some of the fantastic work that the department has done. Thank you very much for giving me the opportunity to talk through it at some length. I do not want to take up too much time. I am probably coming towards the end. As a whole, I am really confident that the majority, if not all, of those are attracted by the department. It is a real vote of confidence in our state. They have held up well in challenging times, and we have great confidence going forward.

**Dr CLOSE:** Budget Paper 4, Volume 4, page 138, Performance indicators, frequently makes reference to direct clients of DTI. What is the definition of a direct client, how does one become a direct client, and how many direct clients are there?

**The Hon. S.J.R. PATTERSON:** Can I just confirm that it is the fourth performance indicator, the number of new exports?

**Dr CLOSE:** The first three refer to direct clients, so I am just trying understand what it means, and how many there are.

**The Hon. S.J.R. PATTERSON:** When we talk about direct clients, these are clients that we directly offer services to. This is trying to delineate between investment that has occurred into the state without the department's involvement. For example, with our significant reduction in land tax, we reduced the top rate down from 3.7 per cent to more of the national average of 2.4 per cent. We know that, compared to the eastern seaboard, South Australia's land is more affordable on a rate per square metre, but one of the real inhibitors to get investment into South Australia has been that punishing land tax rate of 3.7 per cent. That has now been brought down.

I think I mentioned in parliament previously, an ASX-listed company purchased over 11 hectares of land in Hahndorf that allows them to then invest, develop the land and create jobs. That is investment that has come into South Australia that the department has not been directly involved in, but they are the settings that we have.

Moving across to, as I said, direct services that we provide to investors and to exporters as well, we track that via a CRM system. They come into the system and we have a database that allows us to track them. The sector directors have to sign off in the CRM system that their team has

made a real contribution to an outcome as well, so not only that they are in the system but that they actually assisted them to come to South Australia. That is quite important, as I said.

That is done through some specific programs. I talked about the Invest in South Australia website, which is a digital mechanism to provide investment-ready proposals to investors. There are also on that website the contact details of a number of department directors to have direct contact with. They are some of the means through which they can come in and then work through.

Another example of these programs that we offer that allow for trackable outcomes is our virtual wine-tasting program. Again, our wine producers cannot get to market in traditional ways and that means they cannot do traditional wine-tasting. These virtual wine-tasting programs allow the trade offices to curate importers that want to import this terrific wine and then have them preregister. The wineries that are going to participate in this can send over their samples so that these importers and agents are able to sit there and virtually be guided through a wine-tasting session.

I was able to open one of these that introduced some of our McLaren Vale wineries to Malaysia. This was out of this wine export recovery program that we are running as well. We tracked numbers out of that as well. We ran a similar wine-tasting program into China. I think there are some numbers that we have there as well. Out of that, there were 788 visitors, and 120 business connections were made. That actually translated into over \$2 million of commercial deals.

I suppose it is the sales pipeline as well: you have to get your prospects and then you have to talk through them. That is where the direct contact comes in and that is where they would get flagged and, as I said, signed off by the directors in the Department for Trade and Investment to confirm that it was actually a worthwhile assistance. What we want for that is for it to actually come through into concrete results as well. I will see if there is any other direct information I can provide.

**Dr CLOSE:** How many direct clients? That would be useful.

**The Hon. S.J.R. PATTERSON:** I do not have the exact figures, but I am advised that the CRM system has only been set up in the previous year, so effectively the numbers that are in that CRM system would be the introductions that have occurred over this period. I am advised that the department's exporter database has over 2,500 companies that we are helping. The TradeStart database has 1,300 companies that are actively engaged with the department and our overseas network.

**Dr CLOSE:** I turn to trade offices in Budget Paper 4, Volume 4, page 137, Explanation of significant movements. The second dot point refers to the expansion of new trade and investment offices. What is the total cost, thus far, for the creation and maintenance of these trade offices since the last election—a breakdown for the cost of each trade office and how you measure the performance of those trade offices?

**The Hon. S.J.R. PATTERSON:** Can I confirm whether you are asking for the spend to date or for the budgeted amount?

**Dr CLOSE:** The spend to date.

**The Hon. S.J.R. PATTERSON:** We have budgeted numbers, certainly, but I want to make sure that we give you accurate information. What I might do is take that question on notice and give you accurate figures for that.

**Dr CLOSE:** I appreciate that. Budget Paper 4, Volume 4, page 132 is about administered items and includes a reference to the role of the Agent General. Given that there have been media reports that Bill Muirhead is returning to South Australia and will not be South Australia's Agent General in London anymore, do you intend to start a recruitment process for a new Agent General?

**The Hon. S.J.R. PATTERSON:** As I said before, these trade offices are really important conduits into key markets. Certainly, our office over there, the Office of the Agent General in London, represents the South Australian government in the UK but also in Europe. It is there to provide services to South Australians, especially during difficult times for some South Australians at the moment. COVID has taken a big toll on their health.



In the UK it has led to lockdowns. In my virtual meetings with Bill, there have been significant challenges around that. He has been fantastic in terms of really trying to keep South Australians informed about what is going on, how they can return to South Australia, because many South Australians are trapped over there still. They really look with admiration at what our response has been in South Australia compared to what they are having to go through. We really sympathise with them, and we thank Bill and his team for continuing to work on the behalf of South Australians. They are also helping us with trade from a perspective of some of our key sectors in the UK.

**The CHAIR:** The time allotted and agreed has expired. Would you like to take the remainder of the question on notice?

**The Hon. S.J.R. PATTERSON:** Yes, certainly. Just to finish it, I will just mention that the Department of the Premier and Cabinet is in charge of the Office of the Agent General. I think you could direct that question to him.

**The CHAIR:** Given the time allotted and agreed has now expired, there are no further questions. I declare the examination of the portfolio agency Department for Trade and Investment completed and the estimate of payments for the Department for Trade and Investment closed.

*Sitting suspended from 11:31 to 11:45.*

**DEPARTMENT FOR ENVIRONMENT AND WATER, \$155,405,000**

**ADMINISTERED ITEMS FOR THE DEPARTMENT FOR ENVIRONMENT AND WATER,  
\$30,730,000**

**DEPARTMENT FOR ENERGY AND MINING, \$134,125,000**

**Membership:**

Mr Szakacs substituted for Ms Hildyard.

**Minister:**

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

**Departmental Advisers:**

Mr D. Ryan, Chief Executive Officer, SA Water.

Mr A. Fletcher, Chair, SA Water Board, SA Water.

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

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

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

**The CHAIR:** Welcome back to Estimates Committee B. We are moving on to the proposed payments, and examination of, relating to the portfolio of SA Water. The minister appearing is the Minister for Environment and Water. I declare the proposed payments open for examination and refer members to the Agency Statements, Volume 2. I call on the minister to make an opening statement, if he so wishes, and to introduce his advisers for us today.

**The Hon. D.J. SPEIRS:** Thank you, Chair. It is a pleasure to be here today. I would like to start this morning by introducing the corporation's officers who are assisting me: firstly, David Ryan, the Chief Executive of SA Water. This is David's first time at estimates, so we hope he has a great time this morning. I have Andrew Fletcher AO, Chair of the SA Water Board; Jacqueline Guerin, Chief Financial Officer of SA Water; and Darren Percevault, Senior Manager of Finance. I also have

with me this morning Naomi Struve, Manager, Water and Sewerage Infrastructure at the Office of the Technical Regulator.

SA Water is South Australia's leading provider of drinking water, sewerage services and recycled water services. Every day, SA Water provides its services to more than 1.7 million South Australians and is committed to ensuring that these services represent excellent value to all who benefit from the services that they provide. SA Water strives to achieve its vision of delivering trusted water services for a sustainable and healthy South Australia.

SA Water's efforts to deliver on this vision have been clearly demonstrated through recent events. Despite confronting challenges such as bushfires and the coronavirus pandemic, SA Water continues to deliver its essential services to South Australian residents and businesses. In December 2019 and January 2020, bushfires in the Adelaide Hills and on Kangaroo Island burnt through thousands of hectares of land, significantly impacting communities as well as SA Water's catchments and some of its infrastructure, none more so than the infrastructure around the Middle River dam—that critical piece of water infrastructure on Kangaroo Island.

SA Water's teams responded swiftly to keep water supply to customers going through the management of the situation on the ground, which enabled the emergency services to battle the bushfires. With properties and homes destroyed and damaged by fires, SA Water also played an important role in supporting its customers who were impacted. I want to take this opportunity to thank those officers who went to the fire ground and provided both services and empathy to those who had been impacted.

Similarly, throughout the COVID-19 pandemic, SA Water has continued delivery of its services while maintaining the safety and wellbeing of its people and the community. With many of SA Water's residential and business customers experiencing a sudden change in circumstances when COVID-19 restrictions came into place from March this year, SA Water stepped up its support efforts. This included supporting its partners and suppliers by driving economic activity. Capital works continued throughout, ensuring initiatives to improve SA Water's services progressed, and its delivery partners and their supply chains were kept working.

After much planning and consultation, last month SA Water released a new strategy to guide its work in decisions to achieve its vision. While the strategy charts SA Water's direction over the course of the coming five years, it also has a view towards 2050, understanding that the decisions of the water utility can have a long-term impact on the wellbeing of its customers and community and the future sustainability, both social and environmental, of South Australia. With five focus areas, SA Water's strategy will ensure the corporation delivers for its customers and achieves its vision by focusing on five key attributes:

- driving customer outcomes;
- considering water for the future;
- promoting healthy communities;
- displaying proactive environmental leadership; and
- developing its people for the future.

This clearly defined strategy enables SA Water to prioritise its work to achieve the corporation's goals. It will guide consistent decisions and help SA Water's people work together towards the utility's vision and operate in the best interests of its customers, stakeholders and owner.

Customers expect SA Water to deliver its services and to get the basics right, so they can rely on the quality and availability of its water supply and the dependability of sewerage services. During 2019-20, an independent review was commissioned by SA Water's board, which assessed the corporation's water mains management practices and capabilities against international leading practice across 24 areas.

The review determined that in seven areas SA Water was leading international practice, in 15 areas SA Water was in step with industry practice and highlighted that in two areas SA Water's practices could be improved. The review confirmed that the corporation's water network performance

compares favourably on both the rate of water main breaks and the amount of leakage against Australian and international peers, being in the best performing quartile for both measures.

To continue to deliver these services, SA Water administers a diverse range of large projects across South Australia. SA Water invests in capital projects to ensure that its network can support the state's population growth and increased demand. SA Water seeks to ensure proactive maintenance and repair of its network and, importantly, to ensure continuous improvement in providing quality products and trusted services to customers.

Through the corporation's ongoing replacement and improvement program, SA Water invested \$362.5 million in its water network and infrastructure and \$157.3 million in the wastewater network and infrastructure in 2019-20. To further improve reliable water services for customers, SA Water also installed 37.1 kilometres of new water mains, comprising 11.8 kilometres in metropolitan Adelaide and 25.3 kilometres in country South Australia.

The 2019-20 year also marked the conclusion of SA Water's 2016-20 regulatory period which saw SA Water deliver on its commitments to customers with a consistently strong performance meeting its service standards and the efficiency targets set by the corporation's regulator, the Essential Services Commission of South Australia (ESCOSA). SA Water's Our Plan 2020-24 sets out the corporation's planned investments and improvements to services for the next regulatory period. Our Plan was approved by ESCOSA in June 2020 and commenced on 1 July 2020.

In conjunction with the changes realised through this government's independent pricing inquiry, the new regulatory period has already begun to deliver significant customer bill savings which is great news for South Australians. As a result of this government's actions, the average household will save approximately \$200 each year, while an average business will receive savings of around \$1,400 per year. This puts more money back into the pockets of South Australians by lowering the cost of living and delivering benefits to communities, businesses and the wider economy right across the state.

Over the next four years, the large and varied capital investment program outlined in the plan will result in upgrades to water and sewerage mains, the expansion of SA Water's innovative smart networks, the building of a new seawater desalination plant to provide water security, and upgrading Mount Bold Reservoir.

Through this program of works, SA Water will continue to maintain and improve its service for its 1.7 million customers while pursuing efficiencies in its delivery and operations. Further driving this program, as Minister for Environment and Water I issued a direction to SA Water to purchase or provide various services, facilities and contributions from 1 July 2020 until further notice.

Key highlights from the direction will include investing \$155.5 million to upgrade water mains; \$45.7 million to improve the quality of drinking water supplies for regional communities; \$30.7 million, \$28 million of that for capital expenditure and \$2.7 million for operating expenditure, in addition to federal government funding, to build a desalination plant on Kangaroo Island; and \$65 million to connect around 4,700 homes in the Tea Tree Gully area to the SA Water mains for their sewerage systems, resolving a significant problem for that community.

SA Water continues to play a pivotal role in the cross-government task force that is implementing the government's reservoir opening policy by managing the critical operations to support this initiative. The task force continues to progress recreational access opportunities at a number of reservoirs, including the metropolitan reservoirs of Hope Valley and Happy Valley.

SA Water remains committed to opening the reservoirs for recreational access and continues to actively work with the task force to progress plans to optimise recreational use whilst ensuring that drinking water supplies remain safe. I look forward to another year of working with SA Water's board in delivering excellence of service, high quality and affordable services, to the people of South Australia.

**The CHAIR:** Lead speaker for the opposition, did you wish to make an opening statement?

**Dr CLOSE:** No, other than to thank the staff who are here today.

**The CHAIR:** The agreed time frame for examination of payments in regard to SA Water is 11.45am to 12.30pm, just for everyone's clarity. Member for Port Adelaide, if you would like to kick us off.

**Dr CLOSE:** Thank you, Chair. I believe that SA Water is essentially only referred to in Budget Paper 3, so all my questions will be on Budget Paper 3. On page 77, the final section refers to water quality management. What has the testing regime been for the reservoirs that have been opened to public access, how frequent is the testing and what results have been found for any contaminants that might affect human health?

**The Hon. D.J. SPEIRS:** Thank you, deputy leader. I appreciate that question. It obviously highlights the Marshall Liberal government's policy to open our reservoirs and also the opposition's hostility towards that project. The opening of our reservoirs has been a phenomenally successful project to date. It has created opportunities for regional tourism in particular, although that will be expanded to include a couple of suburban reservoirs in the coming months. Those will be completed in 2021.

The reservoirs opened to date as part of this program include but are not limited to the northern reservoir precinct around South Para Reservoir, Warren Reservoir and Barossa Reservoir, which have been open for more than a year now and are showing huge signs of success both from an economic point of view and from a social and environmental point of view as well. We are now enhancing the management of the reservoir precincts for conservation purposes in a way that probably was not articulated in the past, although it was part of SA Water's regime as a major land manager.

The other very successful project, and the member for Mawson would be more than aware of this as the local member, is the opening of the Myponga Reservoir. The visitation since that opened in April 2019 is approaching 60,000 visitors. It has really given the township of Myponga a new lease of life and created a destination within that town that really was not present before. We have seen a number of local businesses being able to leverage off that.

To come back to the specifics of the deputy leader's question, I will shortly pass to the chief executive, Mr Ryan, but I made it abundantly clear over an extended period of time and in the public domain, whether it be in this place or in the media, that water quality was the primary focus of things that we would ensure were in place before any reservoir was opened. While we made a clear commitment to open our reservoirs, we said we would not rush that—and we certainly have not—and we would not do so in a way that compromised water security.

We knew this was possible. We knew it was possible, because it had happened overseas, particularly in the USA and Europe, but we also knew that it had happened very successfully in Australia. We looked to the south-east Queensland water services and the fact that they had opened up their reservoirs safely in relatively recent times: around 10 years ago the majority of those opened. So we knew that there was a regime and a framework in place that we could use to inform us as a very reliable starting place and to ensure we got that water quality situation right.

Of course, the water quality part of the opening of reservoirs was managed by SA Health. We are very fortunate to have someone with the calibre and insight and qualifications of Dr David Cunliffe, who is really an internationally sought-after water quality expert; he works for SA Health. SA Health are a key player, a key stakeholder, on our opening reservoirs task force. That task force is located within the Department for Environment and Water, given our department's experience of opening up public spaces and managing public spaces.

SA Health put a number of parameters in place, depending on what water quality or water treatment systems were currently in place in a particular reservoir or were planned to be in the future. There is a rolling upgrade of water treatment plants across South Australia. Some of those have been pre-planned. We have been able to bring some forward as both an economic stimulus and which have also enabled us to open up reservoirs or at least put in a time frame around opening up reservoirs.

Different treatment plants were built at different times around the state so set a particular standard for a particular era. That standard varies, depending on the reservoir, but our aim is, obviously, to ensure that, aside from the opening of reservoirs policy, the water treatment and the

aesthetics of the water as well, which is very important to the customer—that being the taste and smell and sometimes even the physical appearance of water—is consistent as well.

So we have this rolling program of upgrading the water treatment at each facility. The best example of one of those projects that is currently underway is the upgrade at the Myponga Reservoir, which was long planned, largely because of the dairy impact in that catchment and the fact that the presence of dairy farming has traditionally made Myponga Reservoir that little bit more difficult to manage compared to other reservoirs across the state. The desire to have the most state-of-the-art water treatment facility in place there was always at the forefront of the minds of the SA Water Corporation and the board, long before we took government and came with this policy.

That upgrade that is happening there at the moment, though, will enable a significant expansion in a couple of months to what is able to take place at Myponga Reservoir. I think this is an incredibly exciting initiative for that time, because currently the very popular walking trail will potentially be expanded but also we will have on-water access there.

We have already stocked it with I think about 90,000 fingerlings: golden and silver perch, Murray cod and potentially trout as well. With Myponga Reservoir being at about 95 per cent plus capacity at the moment, it is looking at its very, very best. I was down there a couple of Sundays ago and was so impressed by the environment that is able to be seen now and is not behind a fence. We have every confidence that we have a system in place, managed by SA Health, with international leading experts, that will manage this water quality issue well beyond the capacity of opening the reservoirs.

There are often water quality matters that have to be dealt with as part of managing reservoirs. I think it was Bundaleer in the Mid North that had an algal bloom recently just with the change of the season, and we are continually managing that. That is a reservoir that is open and has been open for quite some time. We told people and put up signs and emailed the interested parties, people who were getting permits online, that at that reservoir you have to watch out because there is an algal bloom, but it is quite appropriate to have people in there as long as they are aware of that.

Water quality management and contamination management is something that water corporations do on a day in, day out basis. It is interesting to note that I am of the belief that there have actually been, since we opened the reservoirs, fewer water quality incidents. I think that is not necessarily because the reservoirs are open, it is potentially something to do with the treatment regime, but also that this is a very low-risk activity.

I think it is particularly at Myponga where, since that reservoir opened, there have been less water quality issues there than when minister Hunter was the minister. I do not think that has anything to do with minister Hunter, I do not think it has anything to do with me as the minister, but I do think that it is just a quirk to note.

In terms of the specifics around the testing regimes and if there were any particular number of contamination incidents—particularly, I think, ones that we would call type 1 incidents—I cannot recall off the top of my head whether those have occurred. I will ask David Ryan to provide further content.

**Mr RYAN:** I guess my opening remark would be that SA Water certainly complies with all requirements under the Safe Drinking Water Act. The act provides a regulatory framework for drinking water providers in South Australia. As the minister has pointed out, it is administered by SA Health. Provisions in the act are underpinned by the Australian Drinking Water Guidelines and prescribed requirements for drinking water providers such as ourselves.

As part of the act, we undertake an annual independent audit. For 2019-20, the audit was positive and noted that SA Water was operating in compliance with the requirements. This gets to the point around testing and so forth. Working with SA Health we then develop detailed and targeted testing plans for each of our locations. As we can see from the audit, there were no significant examples of noncompliance that were detected.

Also, to follow on from the Opening Up Our Reservoirs task force, we are a member of that task force working very closely with SA Health to establish detailed plans for each reservoir site that is open. It goes without saying but a key consideration of the task force is to ensure that we manage

water quality risks. We do that by taking quite a cautious approach and going through quite a detailed risk assessment that SA Health ultimately has to sign off and improve.

In terms of outcomes, there certainly has not been a noticeable increase in those key water quality risks such as cryptosporidium or giardia that we are really focused on as an organisation.

**Dr CLOSE:** I turn to page 69, where there is a reference in the fourth paragraph to the Tea Tree Gully wastewater works. When will SA Water finish its investigations into the CWMS network, and when will they present a proposed plan to the Tea Tree Gully council?

**The Hon. D.J. SPEIRS:** I thank the deputy leader for that question. Obviously, the CWMS improvement program and transfer of those highly dilapidated assets to the SA Water Corporation will have phenomenal benefits for the communities in the north-east of our city, particularly suburbs including Modbury, Tea Tree Gully, Banksia Park, Fairview Park, Redwood Park and even down towards Highbury. I visited a few houses there recently with John Gardner, the local member.

This is a project which really does need to happen. For too long, Tea Tree Gully council has been an extremely poor steward of not only this piece of infrastructure, or many pieces of infrastructure I suppose, but also of the ratepayers' money when put into what essentially should be a sinking fund to enable the deployment of appropriate asset maintenance. That did not happen, and certainly did not happen in a way it should have, and it did not happen over 30 or 40 years.

I think the oldest assets there are around 50 years old, from when those foothills suburbs around Tea Tree Gully developed in the early seventies onward. Putting a CWMS was probably an easy option back then because it facilitated that development in a much quicker way. We are still seeing a little bit of that here and there in South Australia. It is an easy option for the first generation, but becomes a very difficult option down the track.

Consequently, we have had situations with raw sewage bubbling up in people's gardens, running down streets, entering local creeks and parks, and it is terrible for the environment as much as for the social amenity of those suburbs.

**Dr CLOSE:** Excuse me, Chair, I am very sorry, we just have so little time and a lot of this information is well understood and accepted by, I suspect, everybody in this chamber. I wonder whether the question could be answered about the timing of returning to Tea Tree Gully with a plan.

**The Hon. D.J. SPEIRS:** It is extremely relevant context, Mr Chair.

**The CHAIR:** The answer is able to be given by the minister. He is directly relevant to the question that has been asked, so please continue, minister.

**The Hon. D.J. SPEIRS:** Thank you. I will seek to be more efficient with my answers, but I also know that many members want to know the importance of this project. I mentioned John Gardner earlier, but I should also congratulate Dr Richard Harvey, the member for Newland, for really advocating for this project.

You would be aware that in the regulatory period from 2020 to 2024 I provided a direction to SA Water that they had to move towards bringing this infrastructure into their ownership and facilitate a transfer from that terrible steward, the City of Tea Tree Gully, to the SA Water Corporation. It is a complicated project, no doubt about that. The topography of that part of our city is difficult, so it will be a project that takes several years to complete.

As the deputy leader would be aware, and I know she has attended at least one of the community engagement sessions, there is a great hunger by the community to see this project advance. SA Water is currently in detailed talks, and has been for several months and even before that, with the Tea Tree Gully council. We are relatively pleased with the way the Tea Tree Gully council has cooperated with SA Water. We are disappointed by the political games being played by the council, but given their embarrassment around what they have done to this asset I am not surprised by that.

I made very clear that it is an awkward precedent for SA Water to not have a contribution from local government, so we will be seeking some form of contribution from the Tea Tree Gully council, and it has not yet been finalised what that will be. We are very pleased with the level of cooperation we are having from the officials within the City of Tea Tree Gully.

Obviously, the way we roll out this project will be based, first, on a risk management model. There are many of these sewers that are at breaking point—literally are breaking—so with the matrix of rolling this out we will look at those areas that are about to fail imminently, and of course will then look at efficiencies around rolling out from an engineering point of view particular streets or clusters of streets where there might be very large numbers of these systems, as opposed to those that may be isolated on their own. We will combine risk with efficiency and cost-effectiveness and come up with a framework that enables us to do this over the coming years.

I find it quite ridiculous that the opposition has made out that this project could be done overnight and you could do all 4,500 properties or thereabouts in an instant. That is not the case; it is unrealistic. It will take several years. I think we have to be very honest with the community about that and not provide the community with unrealistic expectations nor provide unnecessary fearmongering, as we have seen from the opposition. I will ask Mr Ryan to provide a little bit more clarity on the rollout framework and the timelines we are working to in broad terms, because we do not have specifics.

**Mr RYAN:** As the minister has mentioned, we are working closely with Tea Tree Gully council at the minute. We have quite good relationships, from chief executive and executive level all the way down to officers. We were initially talking about something around a six-month time line to start to understand the condition and have the rollout plan, understand the condition of assets.

That is all contingent on actually being able to access good asset management data, and given the age and the condition of the assets, that is proving reasonably challenging. Saying that, we hope to be able to start some pilot projects later this year into early next year, which we are really excited about. That will be working with council and building on some of the planning work that we had already done with them.

In terms of the framework we are using, as the minister has touched on, we absolutely look at things like condition of the asset, particularly where that condition data is available, and right at the moment it is proving a little bit challenging to get that asset condition data. We also look at network performance; for instance, how many failures do you have, how many complaints and the like. We are also looking at things like development pressure, so is there more infill housing going on. Those are certainly factors we are taking into consideration.

We are also determined in this project that we are going to work really closely with the local community. There is lots of work going on around community consultation, to understand communities' expectations and how we can work very closely with them in terms of that rollout. The minister also touched on some of those technical considerations that we have to take into consideration from an engineering perspective: ease of connection, proximity to our existing network, and the capacity of the network to take the increased flows that will come as a result of that.

The key thing is we are working really closely with council, because we want to make sure that any rollout is in line with their existing plans, but most importantly that any rollout is also in line with community expectations.

**Dr CLOSE:** It has been conveyed to the opposition that SA Water staff spoke to Tea Tree Gully council last week and indicated that the pace of transition will be one household per day. Is that correct?

**The Hon. D.J. SPEIRS:** I will ask Mr Ryan to provide some clarity there, and I might have a few remarks after.

**Mr RYAN:** That is certainly not a comment that we are using widely within our organisation, or anything along those lines, so I would have to take that question on notice.

**The Hon. D.J. SPEIRS:** I will provide a little bit more commentary on that, because some of these properties are complicated. They will certainly take multiple days to finish and many months to plan what the engineering solution will look like, and the solution will not be the same for every property. I have visited many properties in that area with both John Gardner and Dr Harvey, and there is a complexity of topography.

As a consequence, we will have a whole range of different solutions. To simply say we will do one property per day does not make any sense to me. There will probably be work ongoing on hundreds of properties at different stages at different times, from the planning and engagement stage through to on-ground works. I know there is work commencing imminently in one of the suburbs; I think it is Modbury.

There is no simple solution here. You will not start a property at 8am one morning and finish it at 4pm in the afternoon. This is going to take complex engineering planning. Some projects will be relatively cost efficient; others will cost quite a bit more. But, bit by bit, we will get through this. We will do what should have happened many, many years ago and bring this into the SA Water sewerage network. I am not sure what was occurring for the 16 years of Labor government but this was a priority for a long, long time.

**Mr KNOLL:** I refer the committee to Budget Paper 3, page 54. Will the minister outline for the committee how SA Water's customers are saving on the water bills as a result of the government's actions?

**The Hon. D.J. SPEIRS:** I thank the member for Schubert for his question. It is a really good question because it allows us to focus in on the substantial reform that we have instituted around water bills. I hear murmurings and complaints from the opposition but of course they do not want to hear the good news that has come from the significant reform—

*Members interjecting:*

**The CHAIR:** Members!

**The Hon. D.J. SPEIRS:** —that the Marshall Liberal government has instituted. We want to put more money back into the pockets of households and businesses. We want to stimulate the South Australian economy. We do not want to use SA Water as some sort of ATM for government projects and continually gouge households and businesses in a way that occurred under them.

We know that the member for Lee, the shadow treasurer, specifically asked SA Water, asked the corporation, what would modelling look like, how much funding would be attained if they jacked up the regulated asset base by X amount. He did not ask about what would happen if we reduced it, it was: how much more can we gouge from customers and households and businesses? I know the Labor Party do not want to hear about the good news that came from the 2020 to 2024 regulatory period, but I am happy to give it and happy to give it in detail because it is important that that is put firmly onto the record, and they can be embarrassed by it, as clearly they are.

Since forming government in 2018, the Marshall Liberal government has put the cost of living and the cost of doing business at the forefront of its actions. SA Water's water and sewerage prices are set together with the South Australian government and within the revenue cap regulated by the corporations regulator, the Essential Services Commission of South Australia.

In line with our commitment to reduce water prices, this government led a significant reform to the way SA Water undertakes its charging of water and sewerage supply in South Australia. We went to the election committed to water price reductions and that is exactly what we have achieved. The independent inquiry, initiated by this government and led by Lew Owens, recommended a reduction in the 2013-14 opening regulatory asset base value of \$520 million in real 2012-13 dollars, which was incorporated into ESCOSA's determination process and ultimately contributed to lower water prices.

In June 2020, the Essential Services Commission of South Australia released its final determination for 2020-2024, which incorporated the new reduced regulated asset base. Since 1 July 2020, the average hardworking South Australian household will save approximately \$200 each year and businesses will save on average \$1,400 per year. In total, South Australians will benefit from \$186 million worth of water and sewerage bill savings in 2020-2021.

These changes have already started to deliver significant savings to South Australian households and businesses, money that people can confidently do what they like with. These changes are also easing the burden on local households and business budgets, providing welcome economic stimulus in the wake of COVID-19, and in many cases will have the potential to create jobs.



Residential water use prices for all three tiers of water use have decreased by around 18 per cent and water supply charges reduced by 10 per cent. Residential customers also benefit from an increase in the volume of water that can be used at the cheapest price. Businesses will benefit from a reduction of around 18 per cent for water use prices and 10 per cent for the minimum water supply charge. Commercial customers will also benefit from further changes to their water supply charges.

While reductions to supply charges took effect immediately from 1 July 2020, savings on water use prices will be realised over the course of the calendar year, as water usage is billed for the previous quarter. This means that, before they even turn on the tap, South Australians are now saving money and the water they use will be much cheaper.

In a further commitment to easing the cost of living for South Australians, the government also announced the pricing arrangements for retirement villages, and various SA Water country lands customers will also change for the better, with work underway now for these changes to take effect from 1 July 2021.

Everyone can quickly and easily estimate their annual savings by using the estimator that is available on the SA Water website. The awareness campaign on the reductions and charges and the estimator provide South Australians with the confidence that this government is delivering concrete reductions in their water charges.

**Dr CLOSE:** I go back to page 69, the Tea Tree Gully wastewater works reference. Is SA Water considering using pressure or vacuum sewer options for any of the upgrades, and if so, can the minister rule out a service fee being charged?

**The Hon. D.J. SPEIRS:** I thank the deputy leader for that question, again on the Tea Tree Gully CWMS. As I mentioned, there will be many different technological solutions for the rollout of the CWMS, and they will vary, depending on things like the topography of the land and the state of the current infrastructure.

There is currently, as Mr Ryan suggested, a detailed assessment occurring of what is what with regard to the infrastructure, and that will occur in partnership with the City of Tea Tree Gully. I will ask Mr Ryan to provide some insight into what is available in terms of different technological solutions and what is being considered as part of the Tea Tree Gully solution.

**Mr RYAN:** Thank you, minister. I would say, at the minute, that all those options are available, whether it is pressure sewer, vacuum sewer, traditional gravity sewers and so forth, and that is really why we have to get in and understand the existing condition of the asset. That is also why we have really ramped up the community engagement on this project, because we also have to understand individual customer impacts as well, particularly for working in people's backyards and so forth. It is too early for us to say exactly what the solution is. I think it will be, as mentioned, probably a variety of solutions, depending on individual areas and locations.

**Dr CLOSE:** On the same reference, will SA Water commit to funding remedial works where backyards are dug up as a result of the upgrades?

**The Hon. D.J. SPEIRS:** We have said that we would not want to have individual households out of pocket as a consequence of the upgrades that will be required to remove and decommission the existing Tea Tree Gully CWMS infrastructure and connect those individual residences to what will become SA Water's sewerage system going forward.

We will be working through what the costs look like with each household, but we would not foresee households having to make contributions to remedial work when it comes to digging a channel through a backyard or a driveway and things like that. I think people in that community have put up with enough to date and have really had money gouged from their pockets by the Tea Tree Gully council, in a way that is highly questionable from a moral standpoint, and from a lack of investment that has resulted in this situation.

We have been very clear that we do not want households to be out of pocket as a consequence of what is a great commitment from the Marshall Liberal government, a commitment

that is trying to correct a long-time injustice in terms of the infrastructure that was provided to those people and which they paid for.

**Dr CLOSE:** On the same reference, how many residents across the north-east have SA Water had direct contact with as a result of this upgrade announcement? The opposition has been informed that it is well under 200 individuals.

**The Hon. D.J. SPEIRS:** The opposition has very poor advisers in the community or in the council.

**Mr KNOLL:** Lucas Jones does not always tell the truth.

**The Hon. D.J. SPEIRS:** The member for Schubert is absolutely correct. Lucas Jones does not have his facts lined up on this one. We have had contact in some form or another with all, and there are around 4,500 households. We have been in contact with all 4,500 households on a couple of occasions, or at least one occasion, if not more, as a consequence of this. Of course, that was to invite the community to attend consultation sessions and community engagement sessions as well, which has further resulted in more detailed conversations.

This is a very complicated project. It has only been underway for a few months now. We have had those barriers from the City of Tea Tree Gully, particularly the elected member's desires to try to delay this project for political reasons, I believe, but we are getting on with it. The SA Water officers are getting on with it. I wonder if Mr Ryan wants to provide any further clarity on that.

**Mr RYAN:** Thank you, minister. As outlined, we have sent letters to each individual customer. There are just over 4,500. We have also held a range of face-to-face meetings and opportunities for individual residents to come along and talk about their local needs and concerns, and we have many more of those sessions planned as we continue to roll out and work through the project.

**The CHAIR:** With that answer, the time allocated and agreed for examination of proposed payments in regard to SA Water has expired, so therefore there are no further questions. I declare the examination of the portfolio agency of SA Water completed and the estimate of payments for the Department for Energy and Mining be referred to Estimates Committee A. Thank you very much. If you would like to change advisers and the setup up the back, that would be much appreciated.

#### **Departmental Advisers:**

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

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

Ms K. Bellette, Director, Strategy and Assessment, Environment Protection Authority.

Mr P. Dolan, Director, Regulation, Environment Protection Authority.

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

Ms S. Behrendt, General Manager, People and Performance, Environment Protection Authority.

**The CHAIR:** With everybody in place, we will move to examination of proposed payments in relation to the portfolio of the Environment Protection Authority. The minister appearing is the Minister for Environment and Water. The estimate of payments is the same as advised earlier in the session. I advise that the proposed payments remain open for examination and refer members to the Agency Statements, Volume 2. I call on the minister to make an opening statement, should he wish, and introduce his advisers.

**The Hon. D.J. SPEIRS:** Thank you, Mr Chair. I would like to introduce the departmental officers assisting me today. They are Tony Circelli, Chief Executive of the Environment Protection Authority; Richard Jacka, Chief Finance Officer of the EPA; Kathryn Bellette, Director, Strategy and

Assessment; Peter Dolan, Director, Regulation; Keith Baldry, Director, Science and Information; and Suzanne Behrendt, General Manager, People and Performance.

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 (EPA) plays an important role in working to protect and enhance South Australia's environment and is a trusted environmental regulator that helps to support and grow South Australian business while at the same time ensuring we protect the quality of our water, air and our land.

In May 2020, the EPA celebrated 25 years of working with the community, its stakeholders, and supporting and encouraging sustainable business practices in South Australia. The principles and objectives of the Environment Protection Act 1993 have stood firm for 25 years. They remain relevant and capable with dealing with ongoing environmental challenges that we still face today.

Over the last 25 years, the EPA has evolved and developed as the state's leading environmental regulator. It has seen many achievements during that time that have improved the quality of life for many in South Australia. Some of the EPA's most significant achievements in its 25 years have included the introduction of site contamination provisions in the Environment Protection Act, which came into operation in 2009. Also, container deposits were increased from 5¢ to 10¢ in 2008 and the following year a ban was implemented on single-use plastic bags in the state. It is no secret that South Australia has led the nation in recycling and resource recovery for quite some time.

Twenty-five years is a fantastic milestone and this year more than ever we recognise the value of having a strong and effective environmental regulator as South Australian industries deal with recovery from the bushfires and COVID-19 impacts; 2020 has been an unusual and challenging year in many ways with the summer bushfires having a devastating impact across the state, in particular, on Kangaroo Island and in the Adelaide Hills, and of course the far-reaching impacts on all South Australians and businesses during COVID-19.

However, South Australians are resilient and the state government has worked tirelessly to ensure our beautiful environment, business, industry and the community gets back on its feet quickly and is even stronger than it was before. I would like to take this opportunity to thank the Environment Protection Authority for maintaining its focus and progressing key issues throughout the bushfires and during the pandemic.

In response to the devastating bushfires, the EPA provided determinations, emergency authorisations and approvals to allow clean up to proceed in a timely manner after the bushfires. The solid waste levy was also waived for fire-affected waste. The EPA provided advice around appropriate waste collection and disposal, including asbestos-contaminated waste. During the COVID-19 pandemic, the EPA worked to ensure its core business functions were maintained and its services delivered while protecting the health of its workforce and community in line with government requirements and community expectations.

The EPA has continued to work with the community and its licensees, including Nyrstar. During 2019-20 the EPA undertook the work that resulted in the 1 July 2020 renewal of Nyrstar's environmental licence for a term of one year, imposing strengthened conditions. The licence allows Nyrstar to continue with its site transformational works and provides the EPA an opportunity to review performance against strengthened conditions, particularly in relation to lead and air emissions.

Other significant pieces of work the EPA has undertaken over the last year include its work in the waste and resource recovery sector as we seek to increase resource recovery in our state and move towards a more circular economy. In April, the EPA released its position statement for thermal energy from waste activities, providing clarity and certainty for further development of the energy from waste sector. The position statement seeks to ensure that energy from waste proposals complement our resource recovery sector. The EPA consulted on a draft bill to replace the Radiation Protection and Control Act 1982, which was subsequently introduced into parliament in March 2020.

In March 2020, I was lucky enough to welcome our last international conference before COVID-19 restrictions came into effect, when the EPA hosted the biennial Australasian Environmental Law Enforcement and Regulators Network conference at the Adelaide Convention

Centre. This year was the first time the conference was held jointly with the International Network for Environmental Compliance and Enforcement, known as INECE. INECE is the peak global network representing environmental compliance and enforcement across 120 countries.

This joint conference gave the EPA and other conference delegates an opportunity to hear not just from national but also many international leading regulatory practitioners and experts. It was a great opportunity to showcase our great state at an international level and for delegates to exchange thoughts on enforcement and compliance issues and the broader challenges faced by regulators across the world.

Looking ahead, I am confident that by continuing a modern and outcome-focused approach to regulation and its policy-making, guided by scientific fact and by supporting innovation and working closely with communities, industries, research bodies and government, the EPA will be able to effect real and positive changes for a better and more sustainable environment for our current and future generations.

**The CHAIR:** Lead speaker for the opposition, would you like to make an opening statement?

**Dr CLOSE:** Only to thank the staff of the EPA for attending.

**The CHAIR:** Very good. Can I call on members for questions? Member for Port Adelaide.

**Dr CLOSE:** I refer to Budget Paper 4, Volume 2, page 181. The first dot point refers to safeguarding communities and the environment from the impact of pollution, radiation and waste. The EPA would be aware that the die-off of St Kilda mangroves has now become a matter of public discussion. What involvement is the EPA having in resolving what occurred and what can occur to repair the damage?

**The Hon. D.J. SPEIRS:** I thank the deputy leader for that question, a relevant question. I will make some remarks about that and then I will pass over to Mr Circelli to make some focused comments on the role of the EPA as a subregulator, essentially, with regard to that situation.

Firstly, I think it is worth my saying how troubled I am as the state's minister for the environment at the die-off of these mangroves. I understand it is around 10 hectares of mangroves in the St Kilda area. I understand this first came to the attention of the City of Salisbury in February 2020, when council staff first noticed deaths of isolated mangrove trees in the vicinity of the interpretive centre and the mangrove trail at St Kilda.

Unfortunately, for whatever reason, the City of Salisbury did not inform the Department for Environment and Water nor the other regulators. That dieback has advanced in that time to include around 10 hectares of mangroves. These are mangroves that are estimated to be 50 to 60 years old. Mangroves are one of those great species within our plant life in Australia which provide an incredible and unique habitat in an area where we can also see very substantial storage of carbon as carbon sequestration.

They are slow growing and, as a consequence, when something untoward happens to them, it is a real loss from our environment. It is a loss that ought to be immediately investigated. If inappropriate behaviour, unregulated behaviour, unlicensed behaviour, happens to have occurred that has created this die-off, we have to take it immensely seriously and go as hard as the letter of the law allows because I think most South Australians who know what mangroves are value them and those unique environments.

These mangroves are also in that district which includes the Adelaide International Bird Sanctuary, which is such an important area for our birdlife, not just those waders which have that area as a safe haven within their flyway but also many other native species, including raptors which make their home in that area as well. Because of the density of the mangroves, they tend to be quite safe from predators.

The concern is widespread in the community. It is shared by me and it is shared by public servants, not just in the EPA which has a role in regulation but also amongst Department for Environment and Water officers as well who have responsibility for some of that site with regard to the Adelaide International Bird Sanctuary.

It was in that capacity that a National Parks and Wildlife Service ranger and independent consultant, Peri Coleman, who is well known in coastal management matters, visited the site on Thursday 17 September 2020 to make an initial assessment. However, unfortunately, the entry to that area was gated and locked. DEW contacted the Department for Energy and Mining and the Environment Protection Authority on 17 September 2020.

I suspect that was the first time the Environment Protection Authority became aware of this situation, and really it escalated from that point. It is fair to say that, in my role as Minister for Environment, I want to get to the bottom of that. Even though I am not the responsible minister for the main regulator, which is the Department for Energy and Mining, the EPA does have a role here, as does the Department for Environment and Water. I will pass to Mr Circelli to really home in on the role of the EPA and what our work has been to date.

**Mr CIRCELLI:** Thank you, minister. The EPA has had a memorandum of understanding with the Department for Energy and Mining for a number of years in terms of how it coregulates mining and petroleum operations. This one is a mining lease that is regulated under the Mining Act by the Department for Energy and Mining, but it is also one of those sites that has an EPA licence as well. It is currently licensed under the Environment Protection Act for chemical storage and warehouse facilities, chemical works and salt production—which is obviously an older activity on the site—and, importantly, also discharges to the marine or inland waters.

The arrangement that we have had with Energy and Mining over a number of years is to ensure that we use our collective tools under both pieces of legislation if regulatory action is needed. The Environment Protection Act, up until very recently, was a much more modern piece of legislation and we had available to us a number of extra tools at our disposal. From time to time at their request, we have come in and supported them with more targeted, effective tools.

It is certainly the same arrangement in this situation. As the minister mentioned, some support was requested from us in mid-September. That was the first we had heard about the particular issue of the dieback. My advice is that there are approximately 10 hectares of mangroves and 35 hectares of saltmarsh that have been impacted. On 23 September, we assisted Energy and Mining by going out and doing some preliminary sampling. We took some salinity levels at a number of locations within the impacted area.

Obviously, salinity is a key area of focus for us. We are not there yet in terms of being able to show that causation between what is happening on the lease site and what has actually caused it, but salinity has very much been focused on. We have looked at our best understanding of the hydrological and biological processes at the site. As part of the mangrove system, there is an intertidal zone as well, which will be part of the issues that are impacting the cause of the dieback.

We did some follow-up sampling with piezometers that focused on flow and salinity in the general area. We did that on 10, 11 and 18 November. We have installed a preliminary piezometric network in the area now. My understanding is that the recent lockdown has hampered getting some of that information, but we are about to get that information.

What we are really doing for the support of Energy and Mining is using our scientific expertise about what is going on. We will be providing that information to DEM, and DEM will then consider, based on that information, what the potential causes are and what they will require the proponent to do next in terms of further assessment or different operations or management of the actual site.

Based on this initial monitoring, we will be looking at a more extensive monitoring network if we need to, again at the request of DEM. In summary, at the moment, we are not using our regulatory powers under the memorandum of agreement with DEM. They have sufficient authority in this particular case, but we are providing our scientific expertise to assist them in their regulation of the site.

**The Hon. L.W.K. BIGNELL:** My question also comes from Budget Paper 4, Volume 2, page 181. The first dot point states that the EPA will seek 'to achieve the following: safeguard communities and the environment from the impact of pollution, radiation and waste'. My question to the minister is: given the proposal to dump PFAS from around Australia in the food producing area

of McLaren Vale, does he think the EPA has the balance right in working on behalf of the environment and the community and working on behalf of a business that proposes to accept this PFAS waste?

**The Hon. D.J. SPEIRS:** I thank the member for Mawson for that question. I do think the EPA has the balance right, and I will provide an explanation as to why I think that is the case. I think it has the balance right because we have to rely on science. We have to rely on science across a whole range of areas in my portfolio and across multiple portfolios in government, of course. I believe and I hope that when the Labor Party were in government they would have relied upon a scientific basis for their decision-making.

That is what I have a responsibility to do, and that is what the board of the EPA has a responsibility to do. It is what the EPA has a responsibility to do, to invest in reliable science, to test reliable science, to establish an evidence base as a foundation for their decision-making and, if need be, to seek further opinions—second and third opinions—and to test that evidence base, to test their decision points and to peer review where appropriate.

That is how the EPA works. It is how, I hope, it has always worked through its 25-year-plus history, and I think that is how most EPAs work across the Western world. Science is the foundation for making sensible, evidence-based decisions which balance risk. Of course, everything we do in life, whether it is getting out of bed in the morning or flying a fighter aircraft, has risk associated with it, but you mitigate that risk. You mitigate that risk by having the appropriate decision points and frameworks in place. Again, you use science to mitigate that risk, and then you use science to provide you with advice as to what actions need to be taken to mitigate that risk.

I have every confidence that when it comes to making a decision as to whether it is appropriate to store PFAS in any part of our state, no matter its locality or its geography, when a proposal is put to the EPA—and this is how it works: a particular entity, usually private, sometimes councils, will put a proposal to the EPA for a licensed activity across a whole range of things, whether it is noise creating, light creating, sometimes pollution creating. This licensed activity goes to the EPA. The proposal is put forward, and the EPA puts that proposal through an incredibly stringent science-based regime in order to test it.

Sometimes the EPA will dismiss particular things outright because they just do not stack up at all, but the EPA owes it to business, it owes it to our community, to make sure that it is testing things against a legitimate, science-based regime. That is why I have confidence because when I look at the 200-plus officers within South Australia's Environment Protection Authority and when I work with them, when I meet with them and when I visit sites with them they give me every confidence that whatever licence they are assessing or regulating, whatever activity it is, they have an immense capacity to assess against science, to put in the appropriate thresholds and to give truth to power.

I have absolutely every confidence that the EPA is keeping South Australians safe. They have not made a decision on the storage of PFAS anywhere at this stage, and in fact there are currently no licensed sites for the storage of PFAS in South Australia. But PFAS is something we do not necessarily want out in our community, and as a consequence we need to make these decisions, sometimes tough decisions, as to how to store this particular material. The previous government put its hand up and said, 'We want to take the nuclear waste for the world.' That offended a lot of South Australians.

**The Hon. L.W.K. BIGNELL:** I do not think it did. I think there was a royal commission into that.

**The Hon. D.J. SPEIRS:** No, you backed it to the hilt. You backed it absolutely to the hilt.

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

**The CHAIR:** Point of order.

**Mr KNOLL:** Standing order 142, the minister deserves to be heard in silence.

**The Hon. L.W.K. BIGNELL:** Yes, they do not like being actually corrected.

**The Hon. D.J. SPEIRS:** I do not mind being corrected. The previous government put its hand up and said, 'We would be very keen to take the world's nuclear waste.' I am using that as an

example because I know the left of the Labor Party, with the exception of Jay Weatherill, did not want to do that, but you got rolled by the right and you wanted—

**Mr SZAKACS:** So we are dumping nuclear waste, are we?

**The Hon. D.J. SPEIRS:** You put your hand up—and we have a trio of the left here, so I know it is difficult. Once again, it is difficult, like the SA Water bill reduction.

*Mr Szakacs interjecting:*

**The CHAIR:** Member for Cheltenham!

**The Hon. D.J. SPEIRS:** It is difficult to hear the truth sometimes, but I am using—

*Mr Szakacs interjecting:*

**The CHAIR:** Member for Cheltenham!

**The Hon. D.J. SPEIRS:** It would be interesting to know what the Labor Party's position on Kimba—

*Mr Szakacs interjecting:*

**The CHAIR:** Every question—member for Cheltenham!

**The Hon. D.J. SPEIRS:** They have had this epiphany.

*Mr Szakacs interjecting:*

**The Hon. D.J. SPEIRS:** Are you asking me a question on that, member for Cheltenham?

*Mr Szakacs interjecting:*

**The Hon. D.J. SPEIRS:** No, you find me a reference and give me a question.

**The CHAIR:** Members—

**The Hon. D.J. SPEIRS:** I am trying to give an example.

**The CHAIR:** Minister, please, if you can continue your answer. You do not need to provoke the opposition.

**The Hon. D.J. SPEIRS:** I would not provoke anyone.

**The CHAIR:** Every question that has been asked from the opposition has been heard in silence. Every answer given by the minister has been heard in silence so far today. I expect that to continue. Minister, if you can continue with your answer.

**The Hon. D.J. SPEIRS:** I was choosing this as an example. If the previous government had imported nuclear waste to South Australia from other countries, the EPA would have needed to be involved and create a licence regime. Again, we would have had to come up with a scientific threshold to enable or not enable that. Again, I guess the previous government would have expected the EPA to do that and to have the insight and the resources to be able to do that. I believe the EPA has that and, as a consequence, I have every confidence in EPA officers and the science that they use to make these decisions. I reiterate that no decision has been made.

**The Hon. L.W.K. BIGNELL:** I have a follow-up question. You mentioned evidence-based decision—there is a great deal of concern in the community that the community is not being given a fair go by the EPA. One example of that is the inability of the EPA to conduct a community meeting; instead, they invited people to have a time slot on 30 July, and 77 members of the public came along to see the EPA sitting with the proponent, telling the community what was going to happen to them and why this was such a good idea. I was able to organise a community meeting of 348 people a month ago. At that meeting—

**The CHAIR:** Is there a question in there?

**The Hon. L.W.K. BIGNELL:** There is. At that meeting—

**The CHAIR:** Let's get to it.

**The Hon. L.W.K. BIGNELL:** At that meeting people with very good qualifications stood up and gave examples of what was wrong with this proposal. Since that meeting, people have written to the EPA, and the EPA has written back and said:

SWR, Southern Waste ResourceCo—

**The CHAIR:** Member for Mawson, is that a question?

**The Hon. L.W.K. BIGNELL:** I am getting to the question, if you will just stick with me. It is very important to my constituents who will be watching this video. I quote:

...SWR, [Southern Waste ResourceCo], has advised that it strongly objects to its factual correctness.

The EPA has not gone back to people who made those allegations at the meeting. Very professional people. Do you think that is fair, that the EPA only looks at the side of the proponent, Southern Waste ResourceCo, and not the concerns of professionals with knowledge in the community?

**The Hon. D.J. SPEIRS:** I think that we all have responsibilities as members of parliament to conduct ourselves in a way that does not lead to unnecessary fear in our community, and also does not damage the brand of the particular community we represent when dealing with tricky issues like this.

There is absolutely no doubt that this is a difficult decision that has to be made. There has been a landfill site in or around that particular geographical spot for many decades. I think most people in the electorate of the member for Mawson, particularly that northern area, would understand that the government cannot stop a particular business from suggesting that they would like to use a piece of land, especially given that this has been used for many, many years as a landfill site, that they might want to use the storage for a particular type of material, albeit material we do have concerns about in the community, albeit material that we do not know enough about, that there is uncertainty about.

As a consequence, because of that uncertainty and the pervasiveness of that material, there is even more need for us to engage effectively, provide an explanation to the community of what is planned, and to do so in a structured, methodical, transparent way. I believe the EPA has done that.

I believe the EPA has done that by offering the community drop-in station, which is a far better form of community engagement in my view than a public meeting, as people can talk through their specific issues. Public meetings are worst practice when it comes to engagement, and the previous government would not have used them very often at all, because they do not enable issues to be worked through quickly and efficiently and for people's individual views, experiences or circumstances to be worked through. I do not support these large public meetings that get people worked up. I support opportunities for one-on-one conversations with members of the community.

The deputy leader laughs, but she has been involved in successful community engagement with the EPA in relation to the industrial sites in her electorate. She and I have both been there, down at Port Adelaide, where people have the opportunity over an extended period of time to drop in, raise their particular concerns and work through those issues. I think that is best practice community engagement to give an extended period of time wherein people can come in, have those discussions and analyse and work through their particular circumstances.

Of course, there are different circumstances for different people. There will be vineyard operators, there will be people who have other types of businesses, tourism businesses, people who are living in that community in residential houses. I know the Tatachilla Lutheran College down there has raised concerns. I am very aware of a multitude of different people with different life circumstances and different legitimate reasons to be concerned that PFAS might be stored in that long-term landfill site in the McLaren Vale region.

Again, I think the engagement approach has been methodical and decent, and it was recently backed up by a letterbox drop to 6,000 or 7,000 properties through that area, again giving people a thorough update on where things are at with this decision making and giving people context. Some of the public commentary has lacked context to date. Context is so important so that people have confidence in the decision-making process. No decision has been made, but when that decision is



arrived at community confidence is absolutely critical. Creating a regime that enables that is very important. It is important to the EPA, wherever we do our community engagement.

Since becoming minister one of the things I have observed—again, it is nothing to do with me but is about an ongoing regime of reforms in the EPA—is that that engagement is getting more sophisticated, it is getting better and it is, again, science based. That is why I am so disappointed with the public commentary, because it has walked away from the science and tried to buy into emotion.

I can understand why that might occur at an individual level, but as members of parliament we have to rely on that science and we have to look for ways to communicate that in an effective, sensible way. Again, I come back to science. I want to ask Mr Circelli if he can provide some more insight into the engagement process that was used for this particular circumstance.

**Mr CIRCELLI:** Firstly, I would like to assure the parliament that we have very much taken a best practice approach to engagement in this situation. We have been informed by what has been agreed by all jurisdictions in terms of what that framework should look like when we are dealing with issues that can cause great anxiety. We acknowledge that these issues do cause great anxiety for people, and that is why we go through the processes that we go through.

We have been very much guided by that national environment management plan approach to engagement, and that is why we took the course that we did. We are more than happy, as we have shown, to be part of any other communication effort or engagement effort, so I appreciate the invitation to attend the recent public meeting and appreciate hearing directly from the local community. We did find that valuable.

We have looked at and we will continue to look at best practice means. In terms of what we have done to date, we have had at least three separate engagement sessions through the year. We have obviously been challenged a bit by the circumstances that we all face at the moment, in terms of being able to socially distance, or not socially distance. We have had to modify that, particularly in the early phases of the consultation back in April, when there was a lot of anxiety around face-to-face communications, which was quite problematic for us, because that really does underlie the basic premise of our usual model that has been very successful over a number of years now.

In terms of overall interactions, we have had over 450 interactions, and that does not include the community meeting that was referred to previously. We have had over 70 submissions to the application. They are very comprehensive, they have raised a number of issues, and we have very genuinely looked at all issues; we have not discounted any.

As mentioned, when restrictions were eased in July, we had our usual approach to engagement, which was the face-to-face cafe approach. I do want to clarify that the EPA was not sitting with the proponent. I think that gives the impression that we are somehow aiding the proponent; we are not. We do encourage proponents; we encourage local government. We had a separate table as well for the health department. That is our model. It has been a very effective model. We have used it in a number of different areas.

I cannot recall the numbers offhand, but in our survey something in the order of 10 or 15 per cent of people who attended who were not happy when they left. The majority of people were quite satisfied with the engagement that we had. That has been our experience with that approach where we have used it in Port Augusta, in areas dealing with sensitive issues like Port Adelaide and Adelaide Brighton Cement, and in the recent Flinders Ports situation as well. That approach proved to be effective there.

We have had nearly 3,000 web visits on our designated EPA Engage website. We are really encouraging people who want to keep up to date in terms of the latest on the application to sign up to that. That was part of the purpose of the recent mailout. It was to around 4,700 households in the McLaren Vale and surrounding areas, covering two electorates, I understand. We are really quite genuinely trying to get people, as best as possible, to understand that there are sources of information to complement their own searches and their own quest to get the facts on this particular situation.

I think it is really important to stress that we are doing, and we will continue to do, our own assessment. I note the mention of the EPA response about SWR's, I guess, objection and disagreement with some of the things that were said on that evening. They were not present, so our view is to give both sides of the story. We are not taking their word for it. We are not taking anyone's word for it. We are doing our own assessment of all those issues.

Any new issues that have been raised have already been updated in terms of what we have done with our community information sheet. Some of those are still being considered, particularly, as I mentioned at the community meeting, around getting both the proponent but also our own independent peer review around the geotechnical characteristics of that local area, which is required as part of the National Environmental Management Plan framework for assessing such applications.

They are difficult issues, particularly when they become emotive, to get the confidence of the local community. I hope we are doing as much as we possibly can. I, again, reiterate: we are there as an independent, unbiased umpire, if you like, in terms of assessing this fairly and with best available science. I am very comfortable that is what my staff are doing and the board is also ensuring that that process is fair, it is robust and it can stand up to any scrutiny.

I am very confident we will be able to provide a very strong and robust decision, whichever way it goes. It is not likely that that decision will be made this year now with the extra works that we have asked for from both the proponent and our own independent works, but we are hoping for early in the new year to be making a further communication with the community around what these last aspects of the assessment have shown us.

**Mr KNOLL:** On the same budget line, minister, where is the PFAS that is identified currently being stored?

**The Hon. D.J. SPEIRS:** Thank you, member for Schubert. This is one of the great challenges, of course, because in South Australia it is not being stored anywhere, it is present at various sites across the state. By all accounts—and science would say this—this is far more dangerous in its unregulated environment than it would be in any licensed facility with the standards that will be required to enable that material to be stored.

I think the most common known or publicly known use of PFAS where it has caused problems is in firefighting, in firefighting training sites around fire stations and airport facilities or defence sites. Around the Edinburgh airbase we know we have had identification of PFAS being present and causing significant problems in the Lefevre Peninsula. We know the CFS site at Brukungu is another one of these facilities where it is present in the ground, potentially moving towards creek lines and things like that and causing very significant problems.

As I said earlier, we know that PFAS is a material which we do not know enough about. So if we know what we do not know, we do not know how long it lasts, we do not necessarily know the health impacts but we have concerns about what those might and could be. So to have this material stored under EPA licence and all the rigour and ongoing oversight that that would require is incredibly important. It is important to give South Australians, no matter where they live, confidence that where this material is there is capacity to remove it, to dig it up, to treat it if it needs to be treated and then move it to a very secure storage site with an EPA licence and regulated framework sitting over it.

We have a regime around the storage of PFAS, albeit we do not have any licensed storage sites in South Australia today. We have a regime that has national authority sitting around it. It is called the Intergovernmental Agreement on a national framework for responding to PFAS contamination. I think it is worth people being aware that that Intergovernmental Agreement exists because it is part of giving confidence.

It is a national agreement between the commonwealth, states and territories that aims to deliver risk-based responses to PFAS contamination that prioritises the wellbeing of affected communities and protection of the environment. The agreement complements existing guidance and legislation that works to protect human health and the environment from harm caused by chemical contaminants. That agreement was originally signed by the former Premier of South Australia, the Hon. Jay Weatherill, in February 2018, and the member for Mawson and the deputy leader were members of cabinet at the time. So they had confidence with having the regime in place and it is confidence that I share. We needed that regime because of the uncertainty around this material.

The agreement includes a number of appendices which address health and environment protection as well as advice and communication with affected communities. The PFAS National Environmental Management Plan (NEMP) is included as one of these appendices. The NEMP was developed by the heads of EPAs in Australia and New Zealand; again, experts in their field relying on science. It provides nationally agreed guidance on the management of legacy PFAS contamination in the environment.

We do not want that legacy PFAS contamination in the environment in an uncontrolled manner. We do need it to be stored somewhere safely. We need that regime in place. We know that the previous government, with the member for Port Adelaide and the member for Mawson as cabinet ministers, felt the confidence to sign this. Now we have an application for a particular site in the member for Mawson's electorate. We owe it to the South Australian people to assess it against that management plan and that agreement, and that is how we will do it.

**The CHAIR:** With that answer, the allotted and agreed time for examination of payments in relation to the Environment Protection Agency has concluded. There being no further questions, I declare the examination of the portfolio agency Environmental Protection Agency completed.

*Sitting suspended from 13:16 to 13:45.*

#### **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 the 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 C. Hart, Executive Director, Environment Heritage and Sustainability, Department for Environment and Water.

Dr J. Virtue, General Manager, Strategy, Policy and Invasive Species, Biosecurity SA.

**The CHAIR:** Members, welcome back to Estimates Committee B. This afternoon we will be examining proposed payments in regard to the portfolio of the Department for Environment and Water. The minister appearing today is the Minister for Environment and Water. The estimate of payments is as described earlier in today's proceedings, related to the Department for Environment and Water and administered items for the Department for Environment and Water. I advise that the proposed payments remain open for examination and refer members to the Agency Statements at Volume 2. Minister, if you wish, you can make an opening statement, and if you would please introduce your advisers for the benefit of the committee.

**The Hon. D.J. SPEIRS:** Thank you, Mr Chair. Yes, it is my practice to make opening statements. I will take this opportunity to do so and provide some context to the portfolio, but first I would like to introduce the departmental officers assisting me here today: Mr John Schutz, the Chief Executive of the Department for Environment and Water; Mr Shaun O'Brien, the Chief Financial Officer of the Department for Environment and Water; and Mr Ben Bruce, the Executive Director of Water and the River Murray, Department for Environment and Water.

I also introduce Ms Sandy Carruthers, the Executive Director of Strategy Science and Corporate Services; Mr Mike Williams, the Executive Director of the National Parks and Wildlife Service; Ms Cate Hart, the Executive Director of Environment, Heritage and Sustainability—all from the Department for Environment and Water—and Dr John Virtue, the General Manager of Strategy, Policy and Invasive Species at Biosecurity SA.

As has been my practice and that of previous ministers in this portfolio, I would like to ask whether the opposition, or anyone here today, has questions that would be likely to concern Dr Virtue; otherwise, I would like to give him the opportunity to depart. Dr Virtue, thank you for your time.

Mr Chair, I would like to thank the team here with me, as well as staff from across the Department for Environment and Water, who have contributed to the budget's preparation and, importantly, delivery of achievements that have occurred across the portfolio.

The Department for Environment and Water plays a critical role in conserving the state's unique natural places, native species and natural resources. It delivers practical outcomes in parks and gardens for wildlife and habitats at our heritage places and in relation to water, all to advance the prosperity and wellbeing of South Australians.

To achieve this, the department manages the state's national parks, wildlife and cultural assets for the health, enjoyment and prosperity of all South Australians. It ensures water, including the River Murray, is managed sustainably for the benefit of the environment, community and economy, and works in partnership with key bodies to protect and conserve the state's environment and heritage. The department also leads coordinated whole-of-government action to address climate change risk and opportunity for South Australia.

The 2020-21 state budget includes the largest investment of new state government funding into the environment portfolio in a generation. In fact, our total investment in the environment portfolio this year is over \$203 million. These investments pave the way for improved environmental outcomes and better experiences in our national parks, but most importantly they signify the government's continued investment in our unique natural environment and the fact that environmental sustainability and resilience is at the heart of the business of the Marshall Liberal government.

South Australia has nature like nowhere else, and we want to share it with the world. Our 360 national parks, covering one-fifth of our state, are central to the lives of South Australians and create amazing visitor experiences along the way. They provide a significant social, economic and health and wellbeing benefit to our community and improve landscape resilience in the face of a changing climate, something that I think is often overlooked.

This government has worked hard to put the revitalisation of our parks estate at the heart of our agenda, ensuring that these powerful natural assets are afforded the value and investment that they deserve. The National Parks and Wildlife Service has been reinvigorated, as we have increased the ranger workforce by over 1,000 and established a thriving volunteer ranger service. This government is now investing more than \$130 million in our national parks.

This year's budget announces a further \$17 million in new projects spread right across the state. Through our Parks 2025 plan, this government will invest an additional \$2 million to support the opening of reservoirs, investing in new walking trails and kayak access points at the popular South Para, Warren and Barossa reservoir precinct.

We will inject \$3 million into the stunning Innes National Park to enhance picnic areas and campgrounds; \$2 million is being invested to improve visitor experiences at a number of national parks on the wild and captivating Eyre Peninsula; \$3 million will go to upgrading infrastructure, including trails, amenities and an expanded car park in the popular Mount Lofty precinct, including Mount Lofty Botanic Garden; \$3 million will provide for our new hiking and mountain biking destination on the Fleurieu Peninsula; \$2.5 million will allow for campgrounds and other amenities to be upgraded in the Flinders Ranges; and \$1.5 million will enable other park infrastructure projects to be delivered closer to metropolitan Adelaide.

In total, our Parks 2025 plan is investing \$44 million into national parks, giving more people safe and enjoyable access to our parks, ensuring that more people will grow to love and value and advocate for these amazing natural assets. This investment will help to build the capacity of parks across our state to conserve our natural landscapes and wildlife, boost the state's economy, particularly regional economies, and help our friends' groups to flourish. Through this, conservation will be enhanced and tourism dollars will be spent, creating jobs and adding resilience to our economy, particularly in the regions.

Of course, these new initiatives are on top of additional initiatives in parks already underway. This includes creating Glenthorne National Park-Ityamaitpinna Yarta, opening reservoirs for recreation, the statewide park renewal program and creating a Wild South Coast Way on the Heysen Trail running from Cape Jervis to Victor Harbor.

On the back of last summer's devastating bushfires and the impacts of coronavirus, this government has also committed to doing everything we can to support regional communities to get back on their feet. This budget includes \$45 million to reimagine and rebuild infrastructure in national parks destroyed by bushfires on Kangaroo Island, while providing a timely boost for the local economy and helping the island's nature-based tourism industry to bounce back. This investment is already rebuilding some of Kangaroo Island's most iconic sites, including infrastructure at Remarkable Rocks and the Kangaroo Island Wilderness Trail, as well as the visitor precinct at Flinders Chase National Park and the Kelly Hill Caves.

In response to the independent review of South Australia's bushfire season, this budget includes \$28 million of new funding and \$9 million ongoing annually to allow the Department for Environment and Water to significantly increase hazard reduction burns across the state. Prescribed burns play a critical role in helping reduce the risk of bushfires and providing safer access corridors for firefighters. This additional funding will allow us to undertake more hazard reduction, with the aim to increase our prescribed burns by up to 50 per cent in the coming years. This funding will provide further help to communities to help them understand their bushfire risk and options available to mitigate those risks.

My agency is also working with emergency management agencies across South Australia and with those in other states, in collaboration with the commonwealth, to consider 80 recommendations recently made by the Royal Commission into National Natural Disaster Arrangements. The work we will do together in this space will present further opportunities to strengthen South Australia's management of bushfire risk.

In addition to investing in our national parks, this budget includes new funding for a range of other initiatives. An additional \$3 million will be invested in building climate change resilience by supporting farmers and private landowners to conserve native vegetation and increase biodiversity. Grants will be provided to eligible heritage agreement landowners to deliver back-to-basics conservation outcomes such as pest plant and animal eradication programs, fence line upgrades, revegetation of creeks, and carbon farming opportunities.

Further grant opportunities are also available to support landowners of our valuable built state heritage places. Since we formed government, \$500,000 has been made available to support the owners of state heritage places to conserve and protect these spatial sites. This program has been extremely well received and resulted in \$3.6 million of investment in state heritage places. As a consequence of this success, this budget includes \$500,000 over the next two years to assist in the protection of community heritage places and development of heritage tourism projects. This program will also contribute to maintaining and expanding specialist skills and heritage trades.

The budget provides \$16 million for flood mitigation projects in Adelaide's western and northern suburbs. Along the Northern Adelaide Plains we will partner with local councils to deliver projects that will enable new infrastructure and reduce the risk and impact of flood damage along the Gawler River. We will also replace the south gates of the Patawalonga Lake system, which will support flood risk mitigation through the ongoing regulation of water movement into the lake.

An additional \$59.2 million will be invested in initiatives that will achieve improved environmental outcomes through the ongoing operation and maintenance of the River Murray's infrastructure, such as environmental regulators; blocking banks and fishways; an upgrade to the state's geographic data repository to improve access, security and functionality; and identifying new water sources to support the mining and energy sector expansion and integrated infrastructure corridors to provide the most efficient and effective delivery of services to the sector.

Finally, I would like to highlight the \$9.2 million in the budget that will provide for a range of capital upgrades at the Adelaide Botanic Garden and Botanic Park, creating a more accessible and flexible location for the community to visit and for cultural events to occur. These upgrades will include improved lighting, public amenities and security.

This is a short synopsis for what is the strongest budget for the environment portfolio in a generation. I am incredibly pleased to lead the investment of more than \$203 million into the portfolio, which will have a lasting and positive impact on our natural environment and support the recovery of our regional communities following this year's devastating bushfires and the COVID-19 global pandemic. I once again express my appreciation to all the public servants who have worked to prepare information for this estimates process over recent weeks.

**The CHAIR:** Lead speaker for the opposition, did you wish to make an opening statement?

**Dr CLOSE:** Only to thank the officers of the department for attending.

**The CHAIR:** That being the case, I call for questions from members. The member for Port Adelaide.

**Dr CLOSE:** Budget Paper 4, Volume 2 is the only budget paper I will be referring to today. I would like to go to page 143, the net cost of services. Does the department still need to meet the \$12.7 million savings target for 2021 that was in the 2018-19 budget? If so, how does the department intend to achieve that?

**The Hon. D.J. SPEIRS:** I will pass to Mr Schutz shortly for a bit more clarity on how this will be treated in the budget, but I am very pleased and in some ways relieved that the heritage of cuts to the Department for Environment's budget has been curtailed since the Marshall Liberal government came to power.

When I walked into the departmental building on Waymouth Street on 22 March 2018, I inherited a department that was not at the forefront of government business. It was a department that had sustained cuts totalling a couple of hundred million over the 16 years of the Labor government being in power. The vast majority of those cuts had been instituted in the years between 2010 and 2018 and had accelerated in the years immediately prior to the defeat of the Labor government.

I think perhaps the prominence of the environment has improved in the Labor Party since then. I hope it has because we do need to value our natural environment and we do need to invest in it. We need to invest in people to be able to access it safely and to enjoy it so that they can grow their love for it and then their advocacy for its protection as well. We also need to value what our state has in terms of natural assets that can leverage our visitor economy and our nature-based tourism economy as well because we have a phenomenal range of natural assets that can do that.

The heritage of cuts that were instituted under the Labor years was a dark period for the department. The brunt of those cuts was sustained in the National Parks and Wildlife Service which was reduced to a rump of its former self. Ranger numbers fell from around 300 to 88 in the previous financial year and then rose slightly to 93 in the year that the government changed, so it was a sorry state of affairs.

My job has been to create value for this portfolio around the cabinet table, to be a loud advocate for this portfolio around the cabinet table and to create that relevance around the cabinet table which then, hopefully, becomes greater relevance in the broader community as well. I think in the face of bushfires, in the face of more public awareness around a changing climate and in the face of coronavirus, we have an opportunity—and I hope this is an opportunity shared by the opposition—to elevate the importance of this portfolio.

It has been fascinating to see, since COVID-19 arrived in Australia, in that difficult period around March, April and May, the number of people wanting to get out into open spaces to connect with nature. So now, more than any time, we need to be investing in our outdoor spaces, creating that level of amenity that makes it safe for people to get in there and enjoy themselves and learn about it through wayfinding and modern technologies and all sorts of different creative ways that you can do that.

This government has curtailed or cauterised the bleak history of horrendous cuts that were instituted, under minister Hunter in particular, and I strongly believe the trajectory is positive going forward. It does not mean we should not be looking at where we are spending. Government priorities change. I have certainly had a much more practical approach to this portfolio and have wanted to

see more tangible outcomes on the ground. As a consequence, we change where we spend money. That is the prerogative of the government of the day and that is a reasonable thing to expect.

We continue to put very significant emphasis on investing in this portfolio and I intend for that to be the case while I am the minister. I will pass on to Mr Schutz to ask him to provide a little bit of clarity as to how the previous efficiencies are being dealt with in the current budget.

**Mr SCHUTZ:** Thank you for your question. Referring to the department's savings targets for 2021, the first thing I am pleased to report is there were no new savings targets assigned to the department in the most recent budget which is a good outcome for the department. However, embedded in the forward estimates was already a savings target, as the member has pointed out, of \$9.7 million.

The department, as I reported last year to the house, went through a significant restructure. We anticipated we would be facing those cuts at some point, so we have already started to position ourselves to make those savings. Through a combination of efficiencies within the organisation, we have achieved a structure of increased revenues in a number of areas through increased participation and attendance at a number of our sites across our business, and the increased investment in the department's capital investment, as the minister just outlined. I am confident that provides us with the ability to make those savings without any negative impact on the department. As a matter of fact, I hope we can continue to expand and improve our program over the period.

**The CHAIR:** For the benefit of members, according to the revised schedule, we are scheduled to go to 4pm, so I will just clarify that. Member for Port Adelaide.

**Dr CLOSE:** I turn to page 142. The objective of the department refers to conserving and delivering practical outcomes for the state's unique environment. I would like to ask about marine parks. I was interested to hear the minister talk at length about the importance of relying on scientific advice when we were discussing matters associated with the EPA part of the portfolio. What is the source of scientific advice the minister has relied on to reduce the size of marine park sanctuary zones?

**The Hon. D.J. SPEIRS:** I thank the deputy leader for her question. I find it rather bizarre that she refuses to listen to science with regard to the EPA and the PFAS matter but chooses to raise it in regard to other questions. Of course, her criticism of me cuts both ways because I find it interesting with regard to the other matter.

**The Hon. L.W.K. BIGNELL:** You only want to listen to one bit of science on the EPA thing.

**The Hon. D.J. SPEIRS:** I do not need interjections from the member for Mawson. As the deputy leader is aware, we made a very clear commitment from opposition from about 2015, I believe, to undertake a science-based review of our network of marine parks to ensure that a sensible and successful balance is struck between economic development and environmental preservation. We were very concerned about the deeply divisive way that the previous government went around creating marine parks.

It was a way that particularly saw the community engaged in a fairly meaningful way throughout the process, but then sudden and dramatic changes were made at the very end of the process, which betrayed the trust of the community and really shattered the economic options that many people had in regional South Australia. We have never been able to effectively quantify the increased tourism dollar that would flow from those marine parks versus the lost tourism dollar that flows from the shutting out of fishing in particular parts of the state.

While one side of the argument says that there will be an increase in the tourism dollar and another says there will be a loss of the fishing dollar, it has been very difficult to quantify both, to be honest. But there is no doubt that there have been significant economic losses as a consequence of what I would describe as the previous government's manhandled marine park regime, which was poorly implemented without the trust and respect of particularly regional communities.

My message to people when I talk through our changes to marine parks is really that you need to go out and sit at the kitchen table of those who have had their livelihoods decimated. It appears to me that that is something the deputy leader and her colleagues do not want to do, but

when you actually go and speak to people who have contemplated doing pretty drastic things with their lives because of changes that the government has handed down from office buildings in Adelaide, it is a heartbreaking thing.

I really would say that I think our process has landed with a reasonable outcome for both the environment and the economic development of regional South Australia. We said that we would do this science-based review of our network of marine parks. We asked an organisation called BDO EconSearch to conduct what was an independent review, and that has obviously been completed. The review report went through an external peer review process and was released on 8 May 2020 along with the government's proposed amendments.

We used that report to make some decisions but, in the face of coronavirus and the particular impacts to regional communities and the fishing sector in particular, we made some economic decisions as well along the way. It is a process that I certainly did not rush and methodically worked through over an extended period of time.

We have actually struck a balance. I made very early decisions that there were some areas that were part of the Liberal Party's initial election commitment, and I made the call, after I saw the science and worked through with the ecologists and the conservationists and met with the fishers and conservationists, that we are not going to do that. We are not going to wind back the protection of that area.

It particularly was the Pearson Island sanctuary zone out at the Investigator Group conservation park off the west coast of Eyre Peninsula. I just felt that that was too valuable to let fishing occur there, even though it was part of the commitment. But after balancing the scientific advice and the need to support regional communities from an economic point of view we landed on the decision that we would reduce the size of a number of sanctuary zones at North Neptune, the Clinton Wetlands and Cape du Couedic off the coast of Kangaroo Island. It was also proposed to allow shore fishing in the Coorong Beach South Sanctuary Zone.

We have also instituted some changes to the Nuyts Reef and Isle of St Francis sanctuary zones, where the proposed boundary amendments would result in an overall increase in the area of marine environments protected by 111.6 square kilometres. That is a substantial increase there. In fact, these changes, which are obviously before the parliament at the moment and are subject to a disallowance motion, would see an overall increase in the size.

The proposed amendments also include the creation of a new sanctuary zone at Port Stanvac off the south of Adelaide. The reason for that one is quite interesting. An industrial site for many years had kept people out of it, and as a consequence the marine life there has really recovered substantially, and that is a bit of a nursery for marine life and fish and aquatic species down there. So we want to create a Port Stanvac sanctuary zone.

We also want to improve the protection for both the Windara shellfish reef, off the town of Ardrossan on the Yorke Peninsula, and the new shellfish reef that is being constructed at the moment and, in fact, may even be finished this week, off the coast at Glenelg.

This has been a hard, challenging policy area. We have involved fishers and conservationists along the way, and we have really worked very hard to get them to agree, and they have agreed on many things. They have not agreed on everything, but they have agreed on many things. One of the lasting benefits is we have actually got two groups that would not have had a relationship and would not have worked together effectively in the past working together, and I hope that leaves a lasting legacy, which will hopefully benefit conservation, more than anything else, into the future.

It was a hard fought process with lots of people involved. I think the codesign that we went through landed a lot of things that may not otherwise have been attainable if we had not got those groups around. They did not agree on everything. They agreed on a lot of things. I do not think the conservation sector can say, 'Well, we agreed on lots of things, but unless we agree on everything, we don't agree on those other things.' You cannot do that.

The conservation sector were comfortable with the landing on some things. They may choose to back away from that now, but they have also said publicly that they are comfortable with some of these changes. We do not get the whole package here. No-one is completely happy, but I



hope we have used science, balanced it with economic outcomes and landed somewhere reasonable.

**Dr CLOSE:** Given that the BDO Econsearch report, which was commissioned by the minister, fulfilling an election commitment, as he stated, found that the outcome in biodiversity of the existing zones was successful, that the process was sound and that the socio-economic impact was not negative, why was that report not made available to the conservationists and the fishers when they sat down to discuss possible changes?

**The Hon. D.J. SPEIRS:** It was my view that the conservationists and the fishing community needed to really start from a blank slate essentially and put their positions as to why they thought areas should be conserved, and why they thought there were economic opportunities from changes or no changes.

That report was to inform me, not necessarily external stakeholders who entered—potentially you could describe it as unexpected—of an unexpected engagement process right towards the end of this 2½-year process. It was essentially that they were put into multiple rooms over the space of nine months, I think it was about nine months, to work through this. There has also been significant further work done by crossbenchers in the upper house as they have continued to work through some of these matters.

This has been a moving feast over an extended period of time. As I say, I remain confident that we have reached a place which will please most of the people on most matters. But there are absolutely things that the fishing sector would have liked that they did not get, and that the conservation sector would have liked and they did not get. The proposal that now sits before parliament, the regulations, strikes somewhere in the middle.

If I was the conservation sector I would be disheartened by not getting particular outcomes; if I was the fishing sector I would be disheartened about not getting particular outcomes. I think that if we lock these changes in now we can actually put this to bed for a generation and get on with valuing and recognising the extremely valuable work that our extensive marine park network provides. We are talking about just a handful—we have gone down to single digits—of sanctuary zones spread right across our state. We have got them down to just a handful, but there are over 80 in the state, so people should be satisfied with some aspects and dissatisfied with others.

When it comes to the BDO report, that was to provide me with advice. I used that. I came to decisions based on that. I went with some of their advice and not so much with others. The world changed this year, though, and there was a significant economic impact. Some of the earliest economic impact of the coronavirus was felt by the lobster industry, and then it spread through the broader fishing industry. That probably heightened the need to give these fragile regional economies a little bit of extra support at this time.

**The CHAIR:** I was going to use my discretion to recognise the member for Waite but, instead, the member for Port Adelaide.

**Dr CLOSE:** How can the minister state that most people are happy when 95 per cent of the people who submitted to the government consultation process said that they did not support reducing those sanctuary zones?

**The Hon. D.J. SPEIRS:** I meant that I think on most of the changes that were proposed, that engagement process—I am not talking about the broader consultation process but the engagement process—between the fishers and the conservation group reached a landing on many things. I think the conservation sector was delighted that the Investigator Group Conservation Park remains completely protected. I think the fishing sector was very happy under this proposal to get access to the Cape de Couedic waters off the coast of Kangaroo Island, and very unhappy that the Investigator Group Conservation Park remains out of bounds.

I think when you look at the consultation you see that 95 per cent of people in the general community, through YourSAy, said, 'We think marine parks should be maintained in the way they are.' I think that is a legitimate and normal response for people. If you were asked, 'Should marine parks be won back or sanctuary zones be reduced?' I think the average person would say, 'No, they shouldn't be.' But we worked through this. If you explain to people the economic impact, the need to

get that balance and the fact that we are actually ending up with more marine sanctuary zone protected areas overall, I think a reasonable person would say, 'I can see why you would reach that place,' but it is a difficult policy position to strike.

**Dr CLOSE:** Well, call me unreasonable then.

**The Hon. D.J. SPEIRS:** I do, often.

**Dr CLOSE:** I know you do. I turn to page 147, National Parks and Wildlife. I would like to ask specifically about the International Bird Sanctuary. What involvement has the National Parks and Wildlife Service or the department had generally with managing the impact of the death of the mangroves, and has it affected much of the International Bird Sanctuary?

**The Hon. D.J. SPEIRS:** I will make some very brief remarks and then ask Mr Schutz to provide some more insight. I think one of the first people on the scene, so to speak, in September, discounting that fact that the City of Salisbury became aware of this much earlier in the year, was a National Parks and Wildlife Service ranger with responsibility for the International Bird Sanctuary, and that ranger accompanied Peri Coleman, the scientist and coastal expert who had been commissioned to look at this problem. Ms Coleman has provided a lot of valuable public commentary in this.

Because this is a connected area where water moves from those salt fields towards the sea, there is no doubt there is potential for the bird sanctuary to be impacted—forever impacted—by this. I certainly have had a lot of conversations with both the EPA and the department to make sure that we get in front of this problem. They have had conversations subsequently with the Department for Energy and Mining and I have had conversations with Dan van Holst Pellekaan, the mining minister. This is something we want to get on top of very quickly.

The Adelaide International Bird Sanctuary is not one of our parks that gets a huge amount of visitation, but it is one of our parks that has incredible conservation and ecological value because it provides that flyway for those wading birds, the curlews, the avocets and those particular birds that make their way from there and call it their feeding ground. They make their way up through to Siberia. As I said earlier in my contribution in the EPA session, there is a whole range of other aquatic creatures, fish, amphibians and also some raptors—the osprey, the white-bellied sea eagle—which move through there as well.

It is an incredibly important area. It will never be our park with the most visitation, it is not that sort of park, but it is hugely important. It also lends itself hugely to a much broader protected precinct if you move through the defence site to the north and into the Clinton Wetlands Conservation Park and right around through there. The opportunity for much broader landscape-scale protections is substantial, but we need to get it right at the International Bird Sanctuary first and foremost. I will ask Mr Schutz to provide a little more clarity on the interactions between the Department for Environment and Water, the EPA and whether the mining regulator has been involved as well.

**Mr SCHUTZ:** Thank you, minister. As the member would know, the Bird Sanctuary has been in development for a number of years, and it has a very long relationship with the coast through St Kilda and the area of the mangroves and further north. Off the back of the decommissioning of the salt mines, the salt fields, there has been a long-term program around recommissioning or looking at some of those ponds. The department, in partnership with the university and other agencies, has been active for a number of years in that process.

With regard to the actual incident we are referring to here, unfortunately once we became aware there was a problem it was already happening, so it is very difficult to say at what point you became involved in that, but as soon as there was any sign of any problem the department was active, working with local government, Peri Coleman, having conversations and connecting up with our colleague organisations, particularly DEM (Department for Energy and Mining), which is the regulator for the mining tenement, and of course the EPA, to understand what was happening and start to look at ways to investigate and understand the impact of what was taking place.

That has been a very active process, from the very first sign of there being a problem, and we continue to work with DEM and EPA, having those conversations, having those meetings, working with Peri. There are other interested players as well who are involved and continue to work to define

what the problem is, to what extent this is going to grow, and what we know that we need to do differently to avoid this or to start to repair and recover.

Clearly, DEM as the regulator for the mining lease is key here, and EPA as the regulator, but there has been a very close working relationship between the three of us in dealing with this issue, and that continues and will continue, going forward.

**Dr CLOSE:** Just one other question on the International Bird Sanctuary. How many rangers are attached exclusively to the International Bird Sanctuary—or staff generally, if that is a more sensible way to ask the question?

**The Hon. D.J. SPEIRS:** I will make some broad comments on ranger numbers, and then I will get Mr Schutz to comment specifically on the International Bird Sanctuary. I am really delighted that the current government has been able to substantially increase the number of rangers right across the state. One of the great travesties was the loss of the frontline grassroots workforce in my department over the Labor years. They increased from 93 when we came to office; now there are, I believe, 138 positions, and I think we currently have 134 of those filled.

That is making a difference in every corner of the state, in every region that we manage. Everywhere I go—and I get out and about to every corner of this state as minister; that is one of the great privileges—Friends groups and communities, and other people, fellow rangers, who are working in the department are saying, 'Those extra rangers really do make a difference.' We are right up towards a one-third increase now, or over a one-third increase. They are extra eyes and ears on the ground. They are extra arms and legs making that difference, working with Friends groups, creating conservation outcomes, forging tourism partnerships and a whole range of things, just keeping the maintenance and repair of our parks up to date.

The impact is really substantial, because there are just more people there. I have been talking to the department recently about making sure that we evaluate our ranger program, making sure that additional people are really driving that change and the value of national parks, getting those conservation outcomes, enhancing the capacity of our Friends group. Of course, without those Friends groups we could not do what we do. Those additional rangers are transformative and something that I am exceptionally proud of.

It has also been great to redefine and refocus the National Parks and Wildlife Service more broadly, working out the role of a ranger, reinstating and creating pride and respect in the uniform and the position, which then is also, I hope, inspiring people to not only engage with nature but also create a career path, particularly inspiring young people to look at becoming a ranger. Thankfully, there are more opportunities to do so now than for a long time in this state.

I know with respect to the International Bird Sanctuary that it is a focus for quite a bit of ranger activity, because of its peri-urban location up in the northern part of the city heading up towards Thompson Beach, Port Parham and the like. That peri-urban area does mean that there can be increased antisocial behaviour, simply because of the isolation of the site, so we do ensure that there is a consistent ranger presence moving in and out of that site, keeping an eye on things. It is an area that unfortunately also lends itself to illegal dumping and other such activity, and so rangers often have to follow up and arrange the removal of that sort of thing.

As I say, it is a site that is not without its difficulties but that does have immense conservation value. In order to grab hold of that opportunity and also create access and understanding of the site, the ranger presence is important. In a moment, Mr Schutz will provide a bit more detail, but something I am particularly proud of that we have been able to do is actually engage the Kaurua community in the overview arrangements, the management arrangements, of that site. We have now set up a partnership body of community stakeholders.

Duncan MacKenzie, a very significant conservationist in South Australia, who did a huge amount of work at Gluepot Reserve up in the Mallee country for many years, has taken on a senior role there working with the rangers at the International Bird Sanctuary and a whole range of community members to make sure we are making the most out of that protected land, getting that landscape scale plan in place and really enhancing the conservation value wherever we can.

Getting that governance model right has been really important. I feel that for a couple years when the International Bird Sanctuary got up and running, it did not really know what it was for, and that is fine; it was a new park, it was a new place. But we have been really able to hone the understanding of that park, lift its prominence and through this governance body working with the rangers and particularly the Kaurna nation we have been able to do something special there, which will really come to the fore in the coming years. It has a long way to run.

We have also been able to engage a Kaurna ranger to work in that site. Mr Schutz will clarify that that Kaurna ranger works elsewhere. We really wanted to make the connection with country and cultural conservation an important part of the management of the International Bird Sanctuary. Employing a Kaurna ranger to focus on that site has been very important, as has employing Aboriginal rangers in these new positions across the state. It is something that comes with its complexities, but huge value when you get the model right as well. Mr Schutz, do you want to provide a little bit more specificity around the rangers at the International Bird Sanctuary?

**Mr SCHUTZ:** Thank you, minister. There are three dedicated uniformed rangers to the Bird Sanctuary. One of those, as the minister has outlined, is a dedicated Kaurna position, which is the first for out there. Of course, those rangers are supported by a district ranger who manages the district and the broader regional staff. For specific issues, they would be provided support, like all of our parks in regard to compliance, from our dedicated compliance team, project and asset services, our wildlife and conservation program staff who would be helping with the mangrove issue, and, of course, our volunteer support group who would be supporting with volunteers and the community.

**The CHAIR:** I use my discretion to recognise the member for Waite and provide him with the call.

**Mr DULUK:** Thank you for your indulgence, Mr Chair, much appreciated. Minister, I refer you to Budget Paper 4, Volume 2, page 156. What is the time line for the rollout of the Wittunga master plan, especially around the completion of the nature playground, and the move of state flora to Wittunga from Belair National Park?

**The Hon. D.J. SPEIRS:** I thank the member for Waite for that question. I know he is very engaged in what happens up at Wittunga within his electorate at Blackwood and the potential, with the upgrades and the enhancements that Wittunga will have, to see more people engage with open space and with the natural world. It is one of three of our botanic gardens that probably got overlooked for a long time.

I think I would be, as much as anyone else, guilty of being very aware of the fact we have a botanic garden within the CBD being Adelaide Botanic Garden, we have the very well-known Mount Lofty Botanic Garden, but we also have the much smaller garden up at Blackwood: Wittunga Botanic Garden. It is very unique in that the garden is sort of split between collections of plants from South Australia of local provenance but also plants from South Africa, which really does make it quite unique. I think that goes back to the ownership of the gardens in the first place.

We have been very fortunate in this budget to secure \$9.22 million over the next three years to deliver projects at Adelaide Botanic Garden, Botanic Park and also a further \$3 million or thereabouts for the Mount Lofty precinct, much of which I expect to be spent on amenity upgrades in Mount Lofty Botanic Garden because of the very significant increase in visitation numbers up there at Mount Lofty, particularly in the autumn and spring—very much in autumn, increasingly in spring. I think I mentioned before that the garden has a particularly Instagrammable nature, which has made it go close to viral on social media in the past.

The Wittunga Botanic Garden project is really interesting because it has come from a partnership that the state government, the Friends of the Botanic Gardens, the Botanic Gardens board and the federal government have been able to forge. I know the member for Waite has been very engaged in ensuring that there is an avenue for federal investment in his community, in particular in this site. In my role as minister, and working with Nicolle Flint, the federal member for Boothby, we have been able to come up with a whole range of projects within the Wittunga Botanic Garden to lift the amenity, give the garden a bit of TLC and position it as a place that the community is really proud of and wants to visit.

The Wittunga Botanic Garden is really well located because there is a school just over the fence from it and the railway line runs adjacent to it. There is visitation potential at that site, whether it is young people visiting through school programs or with parents and caregivers after school or visitors coming in, having used the train to very easily access the garden via the Belair line direct from the CBD. The garden really does lend itself to much increased visitation and discovery, something that has not necessarily been the case in the past.

The investment should also lead to increased opening hours at the site as well. I am really pleased that we are facilitating increased opening hours there. I think the garden previously shut at about 4.30pm, which I found quite perverse when I became the minister, especially on summer evenings when you could not actually go to the garden because the gate was locked. This investment is not paying for the increased opening hours, but we are enabling that as a consequence of the transformation of the site.

A master plan has been put together by the Board of the Botanic Gardens for the Wittunga Botanic Garden, and that master plan will be rolled out over the coming years. It is not fully funded, but we have been able to fund various aspects of that master plan. One thing the federal funding through the City Deal has enabled us to do is deliver a nature play on the site. That nature play should be completed in early 2020-21; a design is underway and being refined at the moment. Hopefully, that nature play will be constructed by March or April 2021. I think for young people that will be something really quite fantastic in the Wittunga Botanic Garden, with lots of people being drawn to that as a new destination within the destination.

Walking trails and lookout areas within the Wittunga Botanic Garden are also being done up and invested in as part of this. It was great to see the old pool fencing done. There was swimming pool fencing around the edge that was obviously put up there for safety reasons back in the day. It really looked very grotty and detracted from the site, so that has been taken away. There are new lookouts and walking trails around the lake on the site. We know that people love engaging with views over water, even more so than over green open space, so we are giving plenty of opportunity for people to do that.

We are removing the *Phragmites* and the other rushes from that area. That has been a really important part of this upgrade as well. There is lots more to do, but it was great to visit there with some representatives of the board, the Friends and, of course, the member for Waite and the federal member for Boothby a few weeks ago. We planted trees and celebrated, with a morning tea, the new life for the Wittunga Botanic Garden, which we are all very excited about.

**Dr CLOSE:** If I can turn to page 144, the third dot point refers to a key agency output being managing wildlife and native species to sustain biodiversity. How much is budgeted in the budget for threatened species recovery? What proportion of that comes from state funding as opposed to federal?

**The Hon. D.J. SPEIRS:** I thank the deputy leader for that question. This should be core business for an environment department. One area that was reduced during the bleak Labor days really was the area that looked at wildlife, conservation and of course the National Parks and Wildlife Service, because those areas go hand in hand. Many of these species that we want to be conserving, that we want to be looking after, live within the boundaries of our national parks and protected areas because they cover some 21 per cent of the state.

It was a great disappointment to me when I became the minister that the prominence of conservation and biodiversity sustainability and resilience was not where it could have been, where it should have been. I am not sure where the focus of the department was, but it certainly was not there.

One thing we have done to really lift the prominence of that is the development of a Nature Conservation Strategy for South Australia. We initiated that a few months ago and we are now well underway in engaging with conservation bodies, with the community and with our landscape boards and the Green Adelaide Board to put nature conservation right at the heart of the business of the Department for Environment and Water and to secure those partnerships with NGOs, with other tiers of government, particularly the federal government.

I do not shy away from the opportunity to grab hold of federal funding when we can get it. We have done very well in recent years with federal funding. It enables us to do more. We do not pick fights with Canberra and throw stones like the previous government. We will stand up to them when we need to, but we will also work with them in a collaborative way, and that is delivering for every portfolio area across government. It is delivering for South Australia, and we have done extremely well in my portfolio.

The Nature Conservation Strategy will really put in place a very solid framework for those partnerships for identifying species where species recovery plans are required and for homing in on what those particular species recovery plans will look like. This is more important in the face of a changing climate. We know the range of species is changing, is shifting around, or shrinking in too many cases. Getting a Nature Conservation Strategy, which we have not really had in this sense in the state in the past, is so important. It will give us focus for state funding. It will give us focus for funding from federal government and also for those NGO partnerships.

Bushfire recovery has been an area where biodiversity has been of exceptional importance. Again, we have benefited from a fair bit of federal funding here as well for areas where bushfires made particularly significant impacts, but I am not complaining about the contribution of that money. We have been able to weave together some really significant partnerships, particularly on Kangaroo Island but also in the Adelaide Hills and in two other areas, the South-East and Eyre Peninsula, which had fairly significant bushfires over the 2019-20 summer.

From a leadership point of view, we have established the Wildlife and Habitat Recovery Taskforce chaired by Dr Felicity-ann Lewis and with representation from a whole range of NGO and government bodies to bring together a range of recommendations as to what we should do immediately—and much of that work is already underway—how we should deploy funding in the short term and what we need to do in the longer term to ensure that our biodiversity has more of a chance of surviving a bushfire moving through a particular habitat or geographical area.

I have been really pleased by the depth of work that has been done by the bushfire Wildlife and Habitat Recovery Taskforce. They have come up with a whole range of recommendations. We were supposed to launch that range of recommendations just last week but the circuit-breaker lockdown caused us to delay that, but the quality and depth of those recommendations has been substantial and will give us a real framework going forward for dealing with the impacts of bushfires on our biodiversity.

The creation of our landscape boards and the back to basics approach there create an opportunity for us to put biodiversity at the heart of regional landscape management. The new legislation has allowed the creation of the Landscape Priorities Fund. That takes a portion, which will initially be 15 per cent, of Adelaide's collected levy—the Green Adelaide levy—and it redistributes it to where most of the environment is in South Australia: in regional South Australia. That will enable big tranches of money to go towards large-scale, landscape-scale, biodiversity resilience projects and projects that really deal with pest animal and plant management and then get the revegetation and reintroduction of species coming in behind that.

The creation of the Landscape Priorities Fund really gives us a much greater annual sum of money. It is going to be about \$4 million or a bit more in its first year and that gives us a bucket of money so that we can go to other partners, whether they be NGO, private or federal, and say, 'We have money to apply to a landscape-scale project. Please come alongside and partner with us.'

One final project I would like to mention is a project that I initiated recently, which is the osprey and white-bellied sea eagle recovery program—another project really focused on species recovery. We know that these apex raptors in our environment are under huge threat and very susceptible to disturbance.

It has been so good to work alongside the ecologists in the department to develop this species recovery strategy for these two iconic raptors and get in place a really interesting project that will hopefully have a few tourism spin-offs as well, partnering with Birds SA and also a philanthropic organisation to get in place some artificial nesting platforms to track some of these chicks so that we can see where they are going. We do not know a lot about where these birds go after they fledge,

so we are tracking a couple of chicks, one of which is about to fledge at Port Lincoln from a nest in Port Lincoln harbour, and also one from Thistle Island off the coast of Eyre Peninsula.

There are lots of projects. There are lots of really interesting projects, whether it be protecting and enhancing the habitat of the Bassian thrush in the Cudlee Creek fire scar or the glossy blacks on Kangaroo Island. This is an area I take really seriously. We are applying funds to it. We have that Landscape Priorities Fund. We have the nature conservation strategy. I will pass over to Mr Schutz to provide a bit more detail around that.

**Mr SCHUTZ:** The department has a dedicated nature conservation branch and that branch, along with the programs, has \$7.1 million allocated to it specifically. I would also make the point that, because it is not an exclusive function in the agency, as the minister pointed out, core business for the department is that all our park rangers and our regional operations would have a direct role in that work.

Our compliance team undertakes direct action in regard to threatened species and protecting habitat and wildlife. Our fire program has an ecological program as part of the pre and post fire operations. Clearly, our marine parks have a very strong focus on environmental outcomes. We have an environment science and data information management team who provide the science that underpins a lot of that work.

As the minister pointed out, the work on the nature conservation strategy is on top of that money, then within their water group—clearly, funded by the federal government—there are some significant commitments to enhancing habitat on the flood plains of the River Murray. There is the Healthy Coorong, Healthy Basin project, which the minister is very passionate about, which is all about securing the long-term health and wellbeing of the Coorong in the context of the basin plan.

**Dr CLOSE:** If I can turn to Program 2: Water and the River Murray, which starts on page 151, has the minister or his department advocated for lifting the Barnaby Joyce imposed cap on buybacks in a ministerial council meeting or in writing?

**The Hon. D.J. SPEIRS:** Thank you, deputy leader. I have just had a message from Port Lincoln to say that the osprey has fledged moments after mentioning that it was about to fledge, so that is great news down there.

**Mr KNOLL:** It was listening.

**The Hon. D.J. SPEIRS:** Yes, clearly. With regard to the River Murray, my position on buybacks is very public. I have advocated to previous minister David Littleproud and to the current minister, Keith Pitt. I have done it publicly on the radio. I may have put it in writing, I cannot recall that for sure, but it is certainly in the public domain that South Australia's position and my position as the responsible minister is that there is a place for buybacks in the toolkit of water recovery.

We also think that buybacks are one of many opportunities, and buybacks are a last resort, so I have been very clear about that as well. The federal government made a statement a couple of months ago saying that they were moving away from buybacks. I think they went as far as to say they ruled them out. Of course, you cannot do that in a permanent sense without legislative change, so that is a policy intent by the federal government, but it is a disagreement that we have and I made that clear at the time.

I think I did a number of media interviews, including an extensive one on *Country Hour* where I said I just do not think that is right to rule that out in full. I do believe that, when we reach 2024 and the plan is reconciled around the 450 gegalitres and broader return of water to the environment, if that water has not been obtained by off-farm or other on-farm efficiency projects, then you do have the option and the federal government in particular has the option of accessing buybacks. So I think my position is very clear on that.

I have advocated very strongly publicly. I cannot focus in on whether I have done it in writing but I think my ministerial colleagues from other jurisdictions and the federal government, and even the Prime Minister, are very aware that South Australia believes there is a role for buybacks towards the conclusion or the reconciliation period of the plan should the water not have been achieved through other purposes.

The state government has a view that buybacks are a blunt instrument. South Australia can demonstrate through many projects over several decades that, through investing in efficient water infrastructure, whether that is drip irrigation through to a whole range of other storage ways and ways to move water through a landscape, you can actually reduce your water take substantially but have similar or even better and positive economic outcomes while also transferring water back to the environment.

I think it is a shared frustration that other states do not follow South Australia's lead on this in the way that we would like them to. It is my assessment and it is the assessment of many others that, while there are many imperfections with the Murray-Darling Basin Plan, there is more activity happening up and down that river than in any time in recent history with regard to efficiency projects being studied, planned and implemented. So you can do it, and you can do it without buybacks, but I think you need buybacks in the toolkit.

It is good to have the member for Chaffey here today. He knows this subject intimately and he knows the impact of buybacks on his community. He has taken me to stand on paddocks—you could barely call them paddocks—where buybacks had occurred. The withered vines, the lost productivity means people leaving the community. It means the local mechanic's workshop having less equipment to service and maintain, it means fewer kids in the local school, it means fewer people buying from the IGA or the bakery, and so the impact rolls on.

I think the member for Chaffey shares my belief and concern that buybacks are a blunt instrument. They are a last resort, but they are still a part of the toolkit that should be maintained. The federal government knows very clearly that we do not believe that they should be ruled out. We also believe that they may need to be used, regardless of what people think of them or whether there is a policy for or against them, to reconcile the plan at the end of the process.

**Dr CLOSE:** How many water efficiency projects are being considered for approval to meet the 450 gigalitres and, if there are any, what volume are they and what stage of approval are they up to?

**The Hon. D.J. SPEIRS:** I cannot give specifics of the projects that are being assessed interstate—many of those are commercial-in-confidence projects that are being assessed by the federal government—but I think it is fair to say that, as I said a moment ago, there is more activity happening up and down the river than ever before. Of course, the infamous royal commission said that we would never get any water of the 450 gigalitres because I agreed to the socio-economic criteria. In fact, they will be proved wrong and the howls from the Labor opposition will be proved wrong as well because those projects will be delivered.

Many of them are major infrastructure projects, so they do take some time. The federal government put out a statement quite recently. In September, federal minister Keith Pitt said that there were approximately 150 gigalitres of projects identified as in scope for being funded, and approximately 70 gigalitres of the 450 gigalitres are in an advanced state of assessment. We know there are some smaller projects that have already been approved. This is heading in the right direction.

Is it going quick enough? Possibly not. Could it go quicker? Definitely. Will we have that reconciliation with all the water from the 450 gigalitres delivered through these efficiency projects by 2024? That remains to be seen but, as I referred to in my previous answer, we have those buybacks and other potential legal instruments in place to deal with that should the time come in a few years from now. My point is on these 450-gigalitre projects. We were told by the so-called experts that none of this water would come, and the opposition were a part of that category.

Those projects are now advancing. They are advancing in a significant way, and they are advancing in a way that will stimulate regional communities. South Australia does not have a lot of these projects just because of our share of the river and the fact that, in a relative sense, we have our house in order. The majority of them will sit in Victoria and New South Wales, and there will probably be one fairly major one around the ACT as well, but they will deliver water. The money is sitting there to enable it.

What they will also do at this time is deliver economic stimulus. It can be quite difficult to provide stimulus to regional communities that have a particular focus on one industry, as many of



the river towns have in Victoria and New South Wales, but one thing that can deliver that stimulus is these major infrastructure projects that are required to be built as part of not only the 450 but also the 605 and constraints measures as well.

There is funding there for all of these, and we can see big engineering projects undertaken up and down the river to deliver water but also to create stimulus at a very difficult economic time for our whole nation. They are big, heavy engineering projects: regulators, storage options, piping of channels, innovative irrigation approaches. We have done them in South Australia, they are being advanced in other states and they are being advanced because of the Murray-Darling Basin Plan.

Now, we can stick to the plan, or we can seek to blow up the plan. My political opponents seek to blow up the plan. South Australia has the most to lose—

*Members interjecting:*

**The Hon. D.J. SPEIRS:** South Australia has the most to lose—

*Members interjecting:*

**The CHAIR:** Members!

**The Hon. D.J. SPEIRS:** My message to the opposition, when they disagree with our approach, is to leave metropolitan Adelaide, go up to Waikerie and Blanchetown and Renmark and Berri and Barmera and Loxton and Paringa and meet those irrigators who are, by and large, on board with our approach because they know that it is possible. They know the plan has delivered for them. You do not learn anything about those communities sipping a soy milk latte on The Parade or Semaphore Road or somewhere like that. You need to get up into those communities, engage with people and talk to them. So we back the plan. We are getting efficiency projects across the line, and that 450 is well on its way to being delivered.

**Dr CLOSE:** How does the minister reconcile his view that the water will come in substantial figures, although he has not given a precise volume, with the recent independent panel report to the federal minister that anticipated that, at most, 60 of the 450 gigalitres would arrive by 2024?

**The Hon. D.J. SPEIRS:** I did give precise volumes. I said that 150 gigalitres of projects were being identified in scope and under assessment and 70 gigalitres were in an advanced state of assessment. Let us remember how much water was delivered under Labor: nothing.

**Mr KNOLL:** No; one, there was one gig.

**The Hon. D.J. SPEIRS:** Well, one, in South Australia. One gig. They have no record on this whatsoever.

*Dr Close interjecting:*

**The Hon. D.J. SPEIRS:** Let's not talk about the royal commission. The royal commission was a political instrument, which has been proven wrong.

*Members interjecting:*

**The Hon. D.J. SPEIRS:** The royal commission has been proven wrong, and I have said it on radio, deputy leader, so I am quite happy to say it outside of the—

**Dr CLOSE:** That it was political?

**The Hon. D.J. SPEIRS:** I have said on radio that it was a political instrument.

**The CHAIR:** Okay. Members, minister!

*Members interjecting:*

**The CHAIR:** Members to my left, you will not interject. We have had very good decorum through the proceedings today. Questions have been asked in silence. The responses have been given in silence. We can continue that through this process. It is your estimates, after all. It is your opportunity to ask questions. There is no benefit to interrupting proceedings. Minister.

**The Hon. D.J. SPEIRS:** I am not saying anything new that is not already on the record, either, having made statements on it in the media over the last couple of years or made statements in the House of Assembly, that I believe that this 450 gigalitres will be achieved. Of course there are challenges around the time lines, we all know that, but just because projects might be delayed or it might take longer to deliver that water, should we just walk away from the plan? Should we just blow it up? Should we walk away from the table?

No, because the plan is delivering for South Australia. I think the deputy leader is actually in agreement with much of this approach but is being pushed for political purposes, is pushing politically a completely different line. This plan is delivering for the river.

We have just gone through a very tricky drought in the Northern Basin. We have had real challenges up there, but all throughout that drought the health of the river in South Australia and the Lower Lakes remained in reasonable condition. Again, it could have been better, but it was in reasonable condition. Why? Because of the Murray-Darling Basin Plan. Why did the irrigators in the member for Chaffey's electorate continue to have economic output during that very serious drought further up the river? Because of the Murray-Darling Basin Plan.

We have committed to that plan. We are pushing on with it. We have kept the other states at the table and, as a consequence, we are getting water. The worst thing that could happen is for the state Labor Party to get in control and blow up the plan. While they have not said that that is what they are going to do, the actions that they are articulating—redoing the socio-economic criteria and all that sort of stuff—are going to make New South Wales and Victoria just put their hands up and walk away.

All I can conclude is that the actions of the deputy leader, should she become the minister responsible for this portfolio area, would cause the collapse of the plan. That is what New South Wales and Victoria say. We need that plan in South Australia. South Australia has the most to lose from the collapse of the plan. The actions of the deputy leader, if fulfilled, will result in the collapse of the plan. There is no other conclusion that I can draw.

**Dr CLOSE:** If we turn over to page 152, but still on the subject of the River Murray, the third proper dot point down, 'Continue the delivery of the basin plan implementation,' then go three subpoints in and it talks about two efficiency measures feasibility studies: alternative water supplies efficiency measures project, and the Adelaide Desalination Plant. Can the minister report on the progress of those projects, or studies rather than projects, and when they will be made public?

**The Hon. D.J. SPEIRS:** I understand the deputy leader is talking about two particular studies that were agreed to be funded by the federal government at the Ministerial Council on 14 December 2018. The federal government funded them. One was the Desalination Plant and one was looking at urban water opportunities. The urban water opportunity study is much more complicated just because that was going to stretch over a couple of years and identify a whole range of different opportunities around stormwater harvesting efficiency projects in an urban context, similar to what Canberra has been working through. Canberra's entirely urban part of the basin finds it more difficult to find projects towards the 450 gigalitres, and so we have been doing a very similar process looking at the urban contribution.

The desalination study was an act of good faith where we said that we would look to see if the Desalination Plant could be used on an ongoing basis if paid for by the federal government to deliver water back into the river and potentially be an ongoing 450-gigalitre project. We always thought that would be a very expensive project, and certainly I was always sceptical about its possibilities in doing that. That study found that it was not going to be feasible to do that just from a cost point of view.

Of course, the times were superseded by the drought in the Northern Basin and the agreement between the federal government and the state government was to turn on the Desalination Plant for a limited period of time to provide up to 100 gigalitres of water and surrender our River Murray take for that period while we used desalination water, and farmers, through the Water for Fodder program, could access allocations to grow fodder. The moving feast, combined with the change of the use of the Desalination Plant for a season—and it turned out to be only for a season because we mothballed the desal plant and wound up the program after 400 gigalitres

because it rained in the areas of the basin—and people were desperate for rain. Fodder being something that grows pretty quickly, that extra 60 gigalitres was not needed.

The desalination study as we had always thought did show that it would not be legitimate or viable as a 450-gigalitre offset project, and that study was released earlier this year and is publicly available. The urban stormwater project, or the urban water project, which was looking at things like stormwater and aquifer recharge and a whole range of other urban-based initiatives in partnership with local governments, SA Water and the like, continues to progress, but it is really very close to its finalisation and should be released publicly soon. Just for clarity, if the deputy leader was not aware, on 6 August 2020 that feasibility study into the replacement of urban water from the River Murray, with water supplied from the Desalination Plant, was released.

**Dr CLOSE:** To Program 3: Environment, Heritage and Sustainability, page 155, what research has been done on the progress of growing the electric vehicle market in South Australia?

**The Hon. D.J. SPEIRS:** I would not see that as a project being led by the Department for Environment and Water. The leadership of that project and the funding of that project sits with the Department for Energy and Mining, and questions of any substance should be directed to the Minister for Energy and Mining in his estimates.

The Premier's Climate Change Council and the climate change team within the Department for Environment and Water obviously has a role to play in terms of providing advice and insight into the climate change benefits of the development of such an industry, but that function of government certainly is not within my portfolio.

**Dr CLOSE:** Thank you, Chair—

**The CHAIR:** Sorry, member, I think the minister is still—

**Dr CLOSE:** Not completed? It did seem a bit short.

**The Hon. D.J. SPEIRS:** Would you like me to say some more?

**The CHAIR:** If you haven't completed your answer.

**The Hon. D.J. SPEIRS:** I thought the deputy leader wanted me to say more.

**Dr CLOSE:** Definitely not.

**The Hon. D.J. SPEIRS:** I will not say any more—that is fine.

**Dr CLOSE:** Still on that page, the final dot point, the first subpoint of that is, 'Releasing the directions for a climate smart South Australia paper, which sets the government's agenda for practical on-ground action'. Does that paper not countenance reducing emissions in transport as well as stationary energy at all?

**The Hon. D.J. SPEIRS:** It definitely does, and the reduction of emissions through transport is obviously a very important part of our transition towards a decarbonised society in South Australia. The deputy leader would be aware that in February we made an announcement that we wanted to put in place an interim target for emissions reduction. We have the 2050 net zero target, but we wanted to get that interim target in place to challenge government, to challenge community, to challenge business, to really push harder on our emissions reduction trajectory.

That interim target is a 50 per cent reduction on 2005 baseline levels by 2030. The trajectory is reasonable on that, but we have to push pretty hard to get to that 50 per cent reduction. The experts tell me that two big areas are agricultural transformation and vehicle and freight transportation transformation. That advice was contained in a recent EY report, but it also, importantly, formed a significant part of the peer review—I describe it as a peer review; it was an independent report—into South Australia's trajectory and work to date undertaken by Professor Garnaut and handed down to the state government a couple of months ago.

The Garnaut report is really interesting because it says to South Australia, 'You are doing well. You have done well across multiple administrations in this state.' The change of government in 2018 saw a smooth transition around climate policy. Our government has continued that journey. Energy is going very well. The trajectory to net zero emissions around energy will be reached in the

late 2020s or the early 2030s, give or take a couple of things happening. That is going pretty well, but it is transport, agriculture and sequestration that we need to have a good focus on, going forward.

The electric vehicle strategy announced by the Minister for Energy and Mining and the Premier a few weeks ago is a big part of that. Developing our hydrogen industry is a big part of that because it is likely the blend of low or no emissions vehicles will be a blend of electric vehicles for an urban setting or low-impact setting and, potentially, hydrogen vehicles, particularly for freight, because, of course, you can fill up hydrogen like filling up fuel from a regular pump.

That is an area we have to focus on. We have to continue to push on and, while the policy area sits within the Minister for Energy and Mining's portfolios, there is certainly a contribution to be made by the climate change team within my department and the Premier's Climate Change Council.

**Dr CLOSE:** If we can turn to page 156, I would now like to ask questions about landscapes. The first question relates to a number of environment centres that have been funded under what was the Adelaide and Mount Lofty Ranges NRM Board that sit outside the boundary of the Green Adelaide landscape board. They are understandably very concerned about the risk of not being funded, because the board that they are now in has much less financing. Can the minister give any assurance that those centres, including the Willunga Environment Centre, will continue to be funded into the future?

**The Hon. D.J. SPEIRS:** This is a good question. I signed a letter to the deputy leader earlier today on this matter.

**Dr CLOSE:** It is quite aggressive.

**The Hon. D.J. SPEIRS:** I write those letters myself.

**Dr CLOSE:** You do, I know. I can tell.

**The Hon. D.J. SPEIRS:** It takes me a little bit of time. I hope the deputy leader has got that.

**The Hon. L.W.K. BIGNELL:** It took you a year to get one back to me.

**Mr WHETSTONE:** He never responded to me.

**The Hon. D.J. SPEIRS:** No, I never responded to Mr Whetstone. The natural resources centres provide a really valuable role for the community interface for sustainability and the work of landscape boards, Green Adelaide and the former NRM boards. I recognise their value. It is not just the Willunga centre within the member for Mawson's electorate that does good work. Probably, I think, the most active one, and that is not diminishing any of the others, is the Normanville Natural Resource Centre in terms of its reach and membership and a relative sense to the community that it is located within.

That Normanville Natural Resource Centre and the Willunga one, which is also very active, do phenomenal work. Wendy White, the officer at the Normanville Natural Resource Centre, is someone I have caught up with quite regularly since becoming shadow minister and minister. I think my last visit down there was in June, to catch up with Wendy and the volunteers there.

The deputy leader is right: most, if not all—I think all—were in the former Adelaide and Mount Lofty Ranges NRM Board region. As things occur now, most have moved into the Hills and Fleurieu region, which will include the Willunga centre, the Normanville centre, the Victor Harbor centre and the Norton Summit centre.

There is also the Mount Pleasant and Barossa and Gawler centres, which are in the Northern and Yorke board because that board's boundaries have moved down into those Northern Plains areas. The Mount Pleasant one is strangely on the boundary but is within the Northern and Yorke region. That only leaves two: the one that is co-located with the Conservation Council at The Joinery in Franklin Street and the one in the deputy leader's electorate of Port Adelaide.

The natural resources centres remain a valuable part of the business of government. I see no reason why they should not remain if they can continue to demonstrate that value, and I am sure they will, to the new boards. Of course, those boards are decentralised from government and I would hope that those centres are building relationships with their new boards. The new boards are very

much community orientated. They would be aware of the benefits of having that front of house, that community and volunteer connection point to the community.

I think those boards are quite aware of the value that is placed on many of those centres. I do not know all of the centres intimately, I know some better than others, but there is no doubt they are doing reasonable work. I think there is a role for them to evolve alongside the arrival of the landscape reform. It may not necessarily be business as usual, but for some boards it might be. Some of those centres have approached me and said, 'We think this is an opportunity for us to rebrand, to refocus our business a little bit and to make sure we are fulfilling the goals and the expectations of the boards that we now find ourselves part of.'

My advice and my urging to those centres, and I think they have been doing it anyway, is to connect with those boards and show what they are doing. I do not think anything should be business as usual with this landscape reform. It is a real opportunity to evolve and reposition for the boards, for the staff and certainly also for the natural resource centres. That does not mean they need to shut up shop—quite the opposite.

**Mr WHETSTONE:** I refer to Budget Paper 5, page 61. Minister, would you update the committee on how the Marshall government are assisting community and private landowners to strengthen climate resilience, particularly through the Native Vegetation Heritage Agreements?

**The Hon. D.J. SPEIRS:** Thank you, member for Chaffey. I appreciate the question. I know this is something that means a great deal to your community and to your former portfolio and is an area that you place a lot of value on. This is an area that means a lot to the Marshall Liberal government. There is a significant heritage to these heritage grants in that they were established by the Tonkin Liberal government in around about in 1980, so 40 years ago or so.

They saw an amount of money made available to private landowners to undertake conservation works and the setting aside of portions of envelopes of areas of native scrub and vegetation on their properties. Through this program, it had been possible for many years to get money for revegetation works, for weeding, for fencing off these areas of scrub, for fencing creek lines to keep stock out of them and the like, and then Labor came to power and stripped millions from this project. When I became the minister, there was \$3,000 left in the bucket. It is one of many programs that were destroyed by the former Labor government and it is important to call these out.

The funding that was attached to heritage agreements got defunded under Labor. I do not know if maybe it was because the vast majority of these heritage agreements are contained within Liberal electorates or perhaps because it was a practical project, a practical initiative, rather than one filled with gesture and symbolism. It has been a real pleasure to see this program reinstated, albeit the Labor Party sought to block it during the landscape reforms, but we got there with the support of the Hon. Mark Parnell. We ought to give credit where credit is due, and we thank him for his support to get those reforms and this funding across the line.

The Revitalising Private Conservation in South Australia grant program is a \$3 million investment over two years by the state government. We went from \$3,000 a year for this program—not really enough to pull up more than a couple of olive trees—to a \$3 million investment over two years. The program will directly help private landholders build and strengthen climate resilience through protection and conservation at a landscape scale. Delivery of the program will be led by the Nature Foundation in partnership with other environmental non-government organisations, primary production organisations, including Livestock SA, and the Native Vegetation Council of South Australia. I want to thank Emily Jenke for her role in chairing that council.

This partnership with NGOs is another great outcome. It will enable us to stretch the funding further and have even greater impact across the landscape. These heritage areas—private land held under the heritage agreements—are found in every corner of South Australia. Every region has them, some more than others. There are lots on the Fleurieu Peninsula and Kangaroo Island, and there are lots out in the Mallee and the Riverland as well.

Having this fund will say to people that we value what they are doing. No-one has made these people fence off their land and hold it for conservation purposes, but because they have been motivated by conservation values to do that we now have many hundreds of thousands of hectares

of land held under private conservation arrangements. For a government to apply a little bit of funding here and there—I say a little bit, not as little as the Labor Party but, in the scheme of things, not a great deal of funding—does create value in setting aside land for private conservation purposes.

Through this program, landholders will be able to conserve large areas of their land under heritage agreements, complementary to their daily operations. In the 2020-21 financial year, we will have a \$1 million grant program, with a further \$2 million dedicated to the program for 2021-22. The grants will be available to heritage agreement owners for important management actions, such as the control of weeds and pest animals, contributing to protecting and conserving the ecology of our landscape systems and, importantly, creating resilience beyond the protected estate to hold within the conservation world within South Australia. In the face of changing climate, this really does give us the opportunity to expand the areas that are protected and put them into an area of conservation, which consequently can create broader landscape resilience.

In the first round, which has closed—I think it closed in early October—we have had 198 applications, totalling over \$1.3 million. This is substantially above the funding available in the round and shows the real hunger for, and interest in, the availability of this funding. Obviously, there was a lack of funding over a lengthy period of Labor being in office.

There are an additional two rounds to come in the 2021-22 financial year. I think it is safe to say that we are servicing a grossly underfunded area. The available grants are also, usefully, an important means to incentivise new heritage agreement applications. Those newer heritage agreements obviously require a bit of set up in terms of the fencing and things that might be required, and so the availability of this funding will get these off the ground.

The program, which is obviously still in its infancy, has had over 30 new applications for heritage agreements. That is much more than we usually receive in any year, so clearly this is providing that much needed incentive. This type of grassroots approach to conservation is critical to engaging and educating the community on the importance of preserving vegetation to strengthen the state's climate resilience. The program is connecting land and the community to deliver great outcomes and resilient landscapes.

I look forward to providing more information to members of parliament as this program progresses. I am certain it will provide some much needed funding and investment to an area that was long forgotten and ignored by the previous government.

**Dr CLOSE:** I refer back to page 156 and targets 2020-21 relating to landscapes and the establishment of the Landscape Priorities Fund. What is the process for deciding how the money in the fund will be spent? What role will the Parks and Wilderness Council, landscape board chairs or any other community entities have in deciding what the landscape priorities are?

**The Hon. D.J. SPEIRS:** I thank the deputy leader for her question. The Landscape Priorities Fund gives us a really valuable reform. Of all the reforms under the landscape, I think it is the most dramatic in terms of its redistribution of funding from metropolitan Adelaide levy payers to regional South Australia. When we consulted on the development of this legislation, and we consulted heavily, the people in Adelaide did not raise concerns about giving a bit of Adelaide's levy over to regional South Australia. I think most people and certainly people with a passion and interest in conservation realise that the vast majority of the environment in South Australia is beyond the boundaries of metropolitan Adelaide.

To create a fund which takes a clip of the levy in Adelaide and puts it in a bucket and then redistributes that into regional South Australia does have significant environmental benefits, because it will give these boards the opportunity to get their hands on a big tranche of funding to partner. We will make partnering an absolutely central part of being able to get funding from this priorities fund. The partnerships should be able to leverage even more funding.

We have said, and I have said, to board chairs, 'Get thinking about what those big restoration projects are. What are the big resilience building projects, the ones that will build climate resilience, will enhance biodiversity and will create a really valuable legacy for the environment in your particular region? Where can you work across regions between boards as well?' So the Landscape Priorities Fund does give us a tool to make a real difference.

The inaugural round of the fund is being established at the moment. It will take 15 per cent of Adelaide's levy take and redistribute that into regional South Australia. The selection process for grants has not yet been defined. We are imminently working on that in consultation with boards. It is likely that there will be a selection panel with community or conservation representation on that, although that is not yet established because the process has not yet been confirmed. But it would be our expectation to open that fund in the next couple of months and get money out the door relatively quickly, because the potential here is really substantial.

I know that the chairs on the boards and the NGO sector are very interested in the potential of this. They have been thinking of projects. These projects are in the scheme of hundreds of thousands up to over \$1 million of state contribution. With partner money potentially from local government, NGOs, the federal government and private entities, we could see these projects end up being multi projects that have landscape-scale restoration outcomes.

I think of the WildEyre project, which captures a significant portion of landscape on the north-western part of Eyre Peninsula, which is one of the projects that really inspired me to set up this fund. It stretches from Elliston through the Venus Bay Conservation Park, through the privately owned agricultural land behind that. That WildEyre project gives us the opportunity to do a landscape-scale transformation project with the landscape board (formerly the NRM board), the National Parks and Wildlife Service, private landowners and councils to come together to do something really quite spectacular. That is the sort of project I think we will see going forward and I will be really excited to update members on how that takes place.

To go to the specifics of the deputy leader's question, the final selection process has not been established yet. It will in all likelihood involve departmental and community representation to help select those around reasonably prescriptive criteria as to what projects will look like because they do have to be big projects, they have to have multi partners and they have to be able to demonstrate those very significant biodiversity, climate resilient and other reform areas contained within the Landscape South Australia reforms.

**Dr CLOSE:** How much of the fund will be spent on administration and who will receive the administration charge?

**The Hon. D.J. SPEIRS:** I imagine very little, if any, of the fund will be spent on administration. It will be managed within the landscapes team within the Department for Environment and Water. There is a landscape services unit there. They work to support the landscape boards, which are obviously decentralised but they have a common library of resources. They share some services with the Department for Environment and Water where it makes sense to do so and where it is cost effective to do so. I could not imagine there being a significant amount of the actual levy take counted towards the delivery of the project. I would see any involvement being the core business of the landscape services team.

**Dr CLOSE:** How will the Landscape Priorities Fund be reported? Will it appear in future budget papers or will there be another mechanism to report on it?

**The Hon. D.J. SPEIRS:** The actual quantum will come from Green Adelaide, so it will obviously be accounted for in the Green Adelaide budget and that will be publicly available. I am very positive about this fund so I will be shouting from the rooftops and potentially answering lots of questions about the projects in this place, so I do not think we will be hiding what happens with that money in any way whatsoever. The opportunity to leverage environmental benefit from that fund is substantial.

**Dr CLOSE:** If I can turn to page 173, the Landscape Administration Fund—land levies, which is listed for \$51.006 million in 2020-21, is the full \$51 million taken from the Landscape Administration Fund in 2021 for land levies paid to regional boards? If not, who else receives the funds and how will that be reported?

**The Hon. D.J. SPEIRS:** This one has a reasonably technical answer in terms of where the money flows, so I will ask Mr Schutz to provide the answer.

**Mr SCHUTZ:** As you know, honourable member, the local government collects they levy on behalf of the landscape boards. They then pay that into the fund and then the minister approves that

to be distributed based on the percentage or based upon the geographical spread of that back to the boards.

**Dr CLOSE:** Just above that are the Landscape Administration Fund grants for \$3.522 million in the 2020-21 budget. Is that full amount taken from the Landscape Administration Fund for grants paid to regional landscape boards? If the grants are made directly from that fund to other bodies, who makes those decisions and on what criteria?

**The Hon. D.J. SPEIRS:** Deputy leader, can I clarify? Is that the grassroots grants program?

**Dr CLOSE:** You tell me. It is called Landscape Administration Fund—grants, \$3.522 million.

**The Hon. D.J. SPEIRS:** Sorry, deputy leader, I just was not quite sure what you were referring to. There are a couple of the boards which, as you would be aware, have lacked financial sustainability because of their levy base. The Arid Lands board, the Kangaroo Island board, the AW board and the Aboriginal lands board have no levy base. That is the funding that is state appropriation to essentially fund those boards in the case of AW or to provide extra sustainability in the case of the South Australian Arid Lands and the Kangaroo Island board.

**Dr CLOSE:** On the same table, the Landscape Administration Fund contribution to fire recovery, which is just above the 'Grants and transfers' heading, is \$1.35 million. It is allocated obviously for contribution to fire recovery. In taking \$1.35 million from the Landscape Administration Fund for fire recovery, will this reduce the funds otherwise available to regional landscape boards? By what sum will regional landscape boards be affected on a statewide basis and how will each individual board be affected?

**The Hon. D.J. SPEIRS:** This is another technicality around the way the boards draw their funding or source their funding in that a number of the boards have retained earnings. They have had that over time and they obtained Treasury approval to access some of those retained earnings in the face of the bushfires to be able to expand particular recovery approaches because they felt there was a particular need in the community, which was very justifiable. The two boards that did that were the Adelaide and Mount Lofty Ranges NRM Board with the Cudlee Creek fire and the Kangaroo Island NRM Board.

They subsequently went into the landscape model but that figure that you are referring to in that budget line is the pulling out of that money for the redistribution to those two boards to deal with the fire recovery and that was a one-off situation where they argued that that was a valuable use of retained earnings, and the Treasury department and my team agreed.

**Dr CLOSE:** At the bottom of that table, just before it gets down to 'Cash used in operations', there is an item called Landscape Administration Fund, under a heading 'Other payments', for \$8.4 million. What are the components of the \$8.4 million taken from the Landscape Administration Fund in other payments and, in taking it, will that reduce the funds otherwise available to regional landscape boards?

**The Hon. D.J. SPEIRS:** Again, this is the technical way that we have always managed the flow for levies. It is essentially an overdraft. The levies trickle in over a period of time from the council collection, and we draw down on the required figure, which has not come in yet, to continue with business. The figure that you see there, I think it is \$11 million overall, is the drawdown while we are waiting on levies to arrive because those levies come in on a quarterly basis and obviously we pay salaries and various other bits and pieces, rent and the like, on a fortnightly basis.

**Dr CLOSE:** On the next page, page 174, there is a heading 'Interest received', and the Landscape Administration Fund has an actual for 2019-20 of \$35,000 and none for the budget for 2020-21. Will that have an adverse effect on the funds available for on-ground projects if there is no interest being anticipated?

**The Hon. D.J. SPEIRS:** We do not actually budget for interest. Interest is essentially a bonus. You will see the amount received in the actual performance of the budget but, adjacent to it in the budgeted figure, we do not budget for any interest coming in. In fact, it is probably the opposite; it is a bonus if we get it and account for it. It goes up and down by a few thousand each year, depending on the spending of the levy funds and what is held at a particular time.



**Dr CLOSE:** If I can just jump back to page 149 and the performance indicators, there is a percentage of DEW-managed land with a high fire risk covered by management plans, and the percentage target for 2020-21 is 60 per cent. Can the minister explain why it is 60 per cent rather than 100 per cent that is the target?

**The Hon. D.J. SPEIRS:** There are areas of the state, deputy leader, where fire risk is exceptionally low or it would have very little consequence if there was even a large fire there. Large proportions of these areas are held by the national parks estate. I am thinking of areas like Nullarbor wilderness area and Nullarbor National Park where, if a fire occurred, it could burn for weeks, as it sometimes does, but would have very little impact.

I am using Nullarbor as an example, but I am not sure if that is one of the ones outside these areas; the Simpson Desert, some of those very remote parks, which tend to be very big, the size of small European countries, so they account for a larger proportion, whereas your parks in the Mount Lofty Ranges, on Kangaroo Island, on Eyre Peninsula, particularly Lower Eyre Peninsula—Lincoln National Park, Coffin Bay National Park—those ones obviously have a much greater fire risk and would have a greater impact.

So the big parks, which result in us having a higher quantum there in percentage terms, are of low fire risk, and in terms of resourcing and cost-benefit analysis you do not need that same sort of planning and support.

**Mr SZAKACS:** Minister, can I refer you to Budget Paper 4, Volume 2, page 143, ministerial office resources? I note public reporting in *The Advertiser* on 12 March 2020 of an exchange between yourself and a member of the Kangaroo Island community regarding an Instagram post. In that article, the facts of which have been, with leave, tabled in the house previously, there is a copy of correspondence that was sent from that constituent to yourself, rather aggrieved about an exchange that you had with her. There was also a text message that you, I believe, sent to her, where you acknowledged being grumpy and frustrated.

My question today is the heart of one of the matters about which the resident was particularly aggrieved, and that was a threat, in her words, made by you to her of a defamation suit or a legal suit to the tune of \$50,000. Were any ministerial office resources or department resources expended in pursuit of the bona fides of your threat?

**The Hon. D.J. SPEIRS:** No. No ministerial office expenditure was expended. I used my own funds to seek legal advice, as I have done a number of times in this job. I believe I was defamed by that individual and had a conversation with that person, a robust conversation, rather than pursue it.

I do still maintain that that person defamed me and has on a number of occasions. I am not going to name that person; I obviously could, but I am not going to. That was an unfortunate incident. She chose to make statements that I believe were defamatory, and which my legal advisers would say were lineball when it comes to defamation, in relation to the development of the Kangaroo Island Wilderness Trail, a piece of infrastructure which, of course, was, sadly, rendered a moot point in terms of that controversy when it was destroyed a few weeks later by fire.

**Mr SZAKACS:** On the same budget item, is it a usual course for you as minister to pursue matters you believe are defamatory in a rather obtuse way rather than sending proper legal cease-and-desist letters? Is it a usual course to track someone's details down through an Instagram post and to call them and then—

**The Hon. D.J. SPEIRS:** This person owned a public business, a business in the public domain, so it was very easy to get their details. If I believe that I have been defamed, which is a risk of being in public life, as we would all know, it is absolutely within my rights to ask for a retraction or compensation.

**Mr SZAKACS:** Again, minister, in other matters, not relating to this one but any other matters you have referred to in your answer where you have been in your view defamed or otherwise—

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

**Mr SZAKACS:** Have there been any other matters of legal action investigated that have expended ministerial or departmental resources?

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

**Dr CLOSE:** I would like to start the omnibus questions. If I do not quite make it am I able to conclude them in the next section, as it is the same minister?

**The CHAIR:** Yes, it is once per minister.

**Dr CLOSE:** So I can start and if we have to finish off—

**The CHAIR:** Go for your life. I think you might get them in if you work really hard.

**Dr CLOSE:** I should be alright but I think it took Blair seven minutes yesterday.

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

- What is the actual FTE count at 30 June 2020 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. For each department and agency reporting to the minister:

- How much is budgeted to be spent on goods and services for 2020-21, and for each of the years of the forward estimates period?
- The top ten providers of goods and services by value to each agency reporting to the minister for 2019-20; and
- A description of the goods and/or services provided by each of these top ten providers, and the cost to the agency for these goods and/or services.
- The value of the goods and services that was supplied to the agency by South Australian suppliers.

3. Between 1 July 2019 and 30 June 2020, 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?

4. Will the minister provide a detailed breakdown of expenditure on consultants and contractors above \$10,000 between 1 July 2019 and 30 June 2020 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?

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

- How many FTEs were employed to provide communication and promotion activities in 2019-20 and what was their employment expense?
- How many FTEs are budgeted to provide communication and promotion activities in 2020-21, 2021-22, 2022-23 and 2023-24 and what is their estimated employment expense?

- The total cost of government-paid advertising, including campaigns, across all mediums in 2019-20 and budgeted cost for 2020-21.

6. 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 2019 and 30 June 2020.

7. What is the title and total employment cost of each individual staff member in the minister's office as at 30 June 2020, including all departmental employees seconded to ministerial offices?

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

(a) How much was spent on targeted voluntary separation packages in 2019-20?

(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?

9. For each department and agency reporting to the minister, how many executive terminations have occurred since 1 July 2019 and what is the value of executive termination payments made?

10. For each department and agency reporting to the minister, what new executive appointments have been made since 1 July 2019, and what is the annual salary, and total employment cost for each position?

11. 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?

12. In the 2019-20 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 2020-21?

13. In the 2019-20 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 2020-21? How much was sought and how much was approved?

14. For each grant program or fund the minister is responsible for please provide the following information for 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 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.

Do you want me to seek leave, or whatever is required?

**The CHAIR:** No leave needed. We will come back and address the remainder of the omnibus in the next session. Given that time has expired, agreed—

**Mr WHETSTONE:** That is over 45 questions; that is outrageous.

**The CHAIR:** Member for Chaffey, please resist from interrupting. There being no further questions, I declare the examination of the portfolio agency Department for Environment and Water completed.

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

### **GREEN INDUSTRIES SA, \$2,000,000**

#### **Departmental Advisers:**

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

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

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

Mr J. Wheeler, Manager, Government Business, Green Industries SA.

**The CHAIR:** Estimates Committee B returns with the final session for the day from 4.15 to 4.45pm. We will be examining proposed payments in relation to the portfolio of Green Industries SA. The minister appearing is the Minister for Environment and Water. The estimates of payment are as referenced earlier in the day, with the addition of Green Industries SA. I advise that the proposed payments remain open for examination and refer members to the Agency Statements, Volume 2. I also declare the proposed payment of Green Industries open for examination. I call on the minister to make an introductory statement if he wishes, and to introduce his advisers.

**The Hon. D.J. SPEIRS:** I introduce the departmental officers assisting me here today from Green Industries South Australia: Vaughan Levitzke, the Chief Executive; Dr Ian Overton, the Deputy Chief Executive; Catherine Yin, the Manager of Finance; and Josh Wheeler, the Manager of Government Business. In the interests of time, given that this is a very short one, I will not do an opening statement.

**The CHAIR:** Lead speaker for the opposition, are you wishing to make an opening statement?

**Dr CLOSE:** Only to thank the staff, and I think that maybe one of the leaders is retiring soon—have I heard a rumour?

**The Hon. D.J. SPEIRS:** Not too soon, but it will be his last estimates.

**Dr CLOSE:** So, in advance, thank you for everything you have done.

**The Hon. D.J. SPEIRS:** After how many estimates?

**The CHAIR:** I think the correct answer to that was 'too many'. Perhaps, member for Port Adelaide, if you would finish the omnibus questions and then we can proceed to questions.

**Dr CLOSE:** Apologies to Green Industries, I tried to get it done in the last session but they are quite lengthy.

15. For the period of 1 July 2019 to 30 June 2020, 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.

16. For each year of the forward estimates, please provide the name and budgeted expenditure across the 2020-21, 2021-22, 2022-23 and 2023-24 financial years for each individual investing expenditure project administered by or on behalf of all departments and agencies reporting to the minister.

17. 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.

18. For each department and agency reporting to the minister, what is the total cost of machinery of government changes since 1 July 2019 and please provide a breakdown of those costs?

19. For each department and agency reporting to the minister, what new sections of your department or agency have been established since 1 July 2019 and what is their purpose?

20. 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?

I refer to Budget Paper 4, Volume 2, page 202, highlights 2019-20. The third dot point refers to the waste strategy for 2020-2025. In that context I would like to ask about what is occurring with the proposal from the Southern Region Waste Resource Authority for a MRF (material recycling facility). Has the minister been approached to provide any funding, which is required to get commonwealth matched funding?

**The Hon. D.J. SPEIRS:** Many, many times, deputy leader. This is a project which the state government believes is a good one in terms of the resilience of the waste processing sector in South Australia. The deputy leader would probably be aware that we have a fairly sophisticated materials recovery facility in the north of the city at the NAWMA facility, which is owned by councils in the north. That has received various government grants over many years to reach the point where it is.

It would be very good for the resilience of the sector. When we talk about the resilience of the waste management and resource recovery sector, we often talk about what would happen if a site closed down or was lost in a fire. That does happen more than happens to other sorts of sites, because of the nature of the work that happens. I think it was in Western Australia, or Perth, a couple of years ago that fire destroyed their only materials recovery facility.

From a policy point of view, we do want to support the southern waste facility getting off the ground. It is a facility that I know very well from my time on Marion council. SRWRA is owned by Onkaparinga, Marion and Holdfast Bay councils. It is a fairly successful going concern and has a reasonable level of financial sustainability, as far as I am aware. I have met with the Mayor of Holdfast Bay, Amanda Wilson; the Mayor of Onkaparinga, Erin Thompson; and the Mayor of Marion, Kris Hanna, about this, as well as with a number of councillors, and with the representatives of the private entity that they are likely to do—or I think they have done—a deal with to go into operation with to run the materials recovery facility.

It is a project that we want to support. It is just working out a mechanism to do that. There will not be a budget appropriation giving them a particular tranche of money, but the various grant schemes run by GISA are accessible by SRWRA and we would be encouraging them to put forward an application to fund components of that facility, in the same way as the northern MRF has done over the last decade or so.

There is money there for them to apply for. It is obviously a competitive grant round. I have been very clear with the various people who have lobbied me and my colleagues over an extended period of time that there is a pathway to funding. It would certainly be very competitive. I do not choose where this grant funding goes. A successful application could certainly unlock some federal funding. There has been some confusion as to where that federal funding is from, whether that is a particular federal appropriation just for this facility—a budget line item or something like that—or whether it is from the China Sword response funding, which is provided to the state to then distribute to projects that meet certain competitive criteria.

There is a pathway here. We think the project is a good project. We want to back it. Can we back it to the quantum they are after? Well, people always want more money than we have. All governments experience that. I do not think we will be able to come up with the funding that they have quoted. I am not sure if the deputy leader has a figure that they have told her, but we will work through that. The federal funding is still being negotiated and is yet to go to cabinet, so we do not have a figure on that federal tranche of money which would then be potentially matched by state funding.

**Dr CLOSE:** Has the state signed up yet for the commonwealth Recycling Modernisation Fund?

**The Hon. D.J. SPEIRS:** That is the fund that I just mentioned in closing, the China Sword response fund. We are working through the negotiations with that at the moment.

**Dr CLOSE:** Have other states signed up already? Are we later than some other states?

**The Hon. D.J. SPEIRS:** No, I do not think so. I cannot speak for the current state of play, but I understood that most states were in a similar position to us in terms of the negotiating process. Some have, I think, now. The ACT has, New South Wales has not. We do not know any more than that.

**The Hon. L.W.K. BIGNELL:** My question relates to Budget Paper 4, Volume 2, page 203 and that final dot point there about the reference to bushfire waste and debris clean-up. As the local member for Kangaroo Island, I would like to begin by thanking everyone for their efforts on Kangaroo Island after the devastating bushfires last summer. But there were a few concerns raised and I would just like to ask the minister some questions today if I can about the efficiency of the system as it rolled out. Is it true that the EPA initially was tasked with doing the clean-up and they had done a fair bit of work and then Green Industries came in a few weeks later and started things over again?

**The Hon. D.J. SPEIRS:** No, that is not the case. I am happy to give a reasonably detailed response here but I will start and then I will let the member for Mawson steer this question because this is something that it would be useful just to get on the record and discuss. I think it is fair to say that this was an unprecedented situation—an overused word, but it was. We had not had fires of this extent, if you look at Adelaide Hills and Kangaroo Island, that took out so many residential and commercial properties, for a long time—since the 1980s.

GISA have stewardship of a disaster waste management framework, the sort of policy document that is triggered when something like this has happened. That had never been triggered before because we had not had an incident of this magnitude, which left so much devastation in its wake. So that triggered it. I will go right to the end of my answer: we now need to evaluate that. I think it worked pretty well but I think the whole team would agree that there were various things that we learnt as we went along: 'It will be better if it was done that way, this was done that way.' The nature of a disaster is that it is a disaster and there was a lot of chaos and challenge there.

I was really impressed by the way the team went about rolling out this framework. We are absolutely evaluating that at the moment and working out what we could do better. The EPA were involved very early, along with GISA, around trying to make decisions around the disposal of dead animal carcasses and where you would put them, dealing with asbestos, chemical spills, and, to a lesser extent on Kangaroo Island but still relevant, CCA, the treated posts and vineyards and things like that. There was not much of that in Kangaroo Island. It was present, but that was a very big issue for us in the Adelaide Hills.

The EPA were involved in licensing and making sure we had access to the borrow pits to bury things in, and they had an ongoing role. Vaughan, did you want to clarify the EPA's role versus GISA?

**Mr LEVITZKE:** Sure. The EPA is primarily in charge of all the regulatory aspects around it. We had to work very closely with them to make sure that we could get licensed facilities able to accept. We had to get the waste levy waived. There were a number of steps also in working with councils and making sure that the people who were carting the material were licensed and all of that sort of arrangement. They were really quite responsive in all of that.

We have always had a great working relationship with the EPA and that continued through the bushfire crisis. As the minister said, we had the framework. It was the first time it had ever been used. But, to be fair, we had not had a framework before towards the end of last year, either, so it was a testing point for it and no other state has one. I think it served us in good stead.

**The Hon. L.W.K. BIGNELL:** I thank both the minister and the executive for those answers. Having seen the angst and the concern of people there, it was a bit heartbreaking when they still had their homes to be cleaned up weeks and weeks later and, in some cases, months. It is really heartening to hear that feedback. Will you be talking to maybe some of the people on the ground in Kangaroo Island in your review about how you might be ready to roll it out quicker next time?

**The Hon. D.J. SPEIRS:** I think we will be. There are only a couple of players in South Australia in the industry at the higher level, so it was getting them engaged but then making sure we could drive down the work, so that not only did we get it to happen quicker on the ground but we also made sure that people on Kangaroo Island were getting work out of this, which was really important to us. I was fairly heavily engaged in that. I would often speak to the contractors on the ground. They were frustrated, saying, 'We need some work. We're seeing these trucks rolling in.' I think that, bit by bit, we got everyone more work than they needed, actually. They really got work out of it, but it took those initial two or three weeks.

You are right to highlight the stress of having a house lying there still, burnt and collapsed around them, and the reminder that it is. With all these things, there is going to be someone cleared up first and there is going to be someone cleared last. We think we could go quicker, there is no doubt about that, but I am also conscious that, once we got going, we did go reasonably quickly, compared with the situation that happened in other jurisdictions. Obviously, they had larger areas burnt and more people affected, but their relative speed was slower. That is not to say that we could not do better, but it is an interesting reflection.

We had a really good response from a lot of industry players, who found this to actually be quite a life-changing experience, going over there connecting with people—the empathy they had to provide and the counselling they had to give. Something that was quite different on Kangaroo Island compared with the Adelaide Hills was that we kept on finding more houses, particularly out in the West End.

That sounds like a very strange thing to say, but there was the farmhouse where the kids lived, and there was the house that grandma had lived in, and there were the soldier settler blocks around the corner in the laneway. We would clear one house and then they would say, 'Are you going to clear the one around the corner?' and we would say, 'We didn't know there was one around the corner.' So the list on Kangaroo Island kept on growing.

Interestingly, on Kangaroo Island, compared with the Adelaide Hills, I think 100 per cent of the properties—so every residential property we cleared—had asbestos. Again, that was in the West End, where there was poorer quality housing from the soldier settler days. We learnt a lot. Yes, we could do better, but I have gone out of my way to thank the team for getting a system off the ground that did not exist the week before Christmas and now it does.

**The Hon. L.W.K. BIGNELL:** Thank you, minister, for that response. You mentioned that you had been in touch with a few contractors, and I think you might have spoken to some of the people who I was speaking to as well, and heard the stories about how alarming it was to see the vehicles from the mainland going past their place when they had been out for three or four weeks with their machinery, building breaks for free and helping in the firefighting efforts. They felt really let down that they were not engaged. Whether that is right or not, that was how they felt at the time.

With the island, it is different from a region, say the Adelaide Hills or somewhere, where you do not really know where the contractors are coming from. On the island, you know exactly who is stepping over the drawbridge or onto the ferry. Is there anything in train to try to come up with some local procurement guidelines that could be used in a hurry next time around, not just for Kangaroo Island but for other regions?

**The Hon. D.J. SPEIRS:** Everyone is pre-accredited now. One of the challenges was knowing who could do what, because on the island some of contractors who could have done things

were taken out: their equipment was burnt or their sheds were gone or there were family impacts. Now we have a really good understanding of who can do what, both on the mainland and on the island, but I think that for Kangaroo Island, from this point of view and a resilience point of view, it is more important to really know who can do what. I think the Wilsons were some people who I spoke to.

So we have this pre-accreditation now, if this happens again. We do not want it to happen again and we touch wood that it does not, but if it does, we have that list ready to go, as an appendix, I suppose, to the framework. Vaughan, do you want to add anything more?

**Mr LEVITZKE:** We had people on the island, contractors, while the fire was still going and at one stage we had to pull them back off because it probably was not safe where we had intended to send them. I think there were a number of issues, particularly on Kangaroo Island, that made it more difficult, such as getting equipment on and off the island. We had two major contractors already working on the island who made contact with us, so it was easy to engage them very quickly, particularly for controlling the asbestos—they were spraying asbestos in the very early stages to make it more safe.

But then we started to uncover and we actually advertised on the island to find out who was available and who could provide equipment and services. I think we gave them a huge amount of work and we broke the work up into tranches of work. It was competitive, but, whilst we could give certain work to locals where we felt that the local involvement would probably be helpful, particularly around sports clubs and some of the other infrastructure on the northern part of the island, we also used two local companies out of Adelaide—Royal Park Salvage and McMahan's—who had heavy gear that could shift a lot of material.

Then, of course, we had to get Gosse pit up and running. There was nothing there before, so that was a major undertaking. We worked with the Fleurieu Regional Waste Authority to get that happening, along with the Kangaroo Island Council. A lot of material went into that hole. There was also the Kangaroo Island Resource Recovery Centre. So, yes, it was a big operation. A lot of tonnes came off Kangaroo Island.

**The Hon. L.W.K. BIGNELL:** I do not have another question, but I do want to pass on my thanks once again for all the work that Green Industries and the EPA did on the island and my gratitude that things will be improved because it was like a first hit-out, as the minister said. I guess this also shows that this estimates process can actually be used not in an adversarial way but in a way where we can have a conversation so I can go back to my community and give them some assurances that their voices were heard and that the system will be improved to be even better next time around. Hopefully, that will be a long time off.

**The Hon. D.J. SPEIRS:** While we are having the conversation, can I steal 30 seconds and say that the next body of work we need to do is the green waste clear-up. We have to be careful there. I am not wanting to slash and burn or cut up native vegetation. There has been a little bit too much of that potentially along the way, but GISA's second stage clean-up 2.0 is getting the green waste sorted. There is a lot of vegetation lying half burnt across the fire scar. Do you mind if we give a 30-second update on that?

**The Hon. L.W.K. BIGNELL:** No.

**Mr LEVITZKE:** We have contractors currently operating on the island and also up in the Adelaide Hills. It has been outsourced through a service level agreement for the majority of it through the local Kangaroo Island Council, but we had other contractors already working along two main roads on Kangaroo Island to clear up a lot of the damaged trees that are likely to fall on the road and cause hazards.

I think that is pretty much finished along those two main roads, but there is still the body of work to do back inland from those. We are hoping that that will be completed as soon as possible, but the crews tell me that it could be as late as February, depending on the weather. I really wanted to get it done much earlier, but it has taken a while to get through a procurement process and also to work out arrangements with local government to enable it to happen, but we are in that clean-up now, so I am hoping it happens pretty quickly.



**The Hon. L.W.K. BIGNELL:** Thanks again.

**Dr CLOSE:** Can I take you back to page 202. There is reference in the targets to progressing the phasing out of certain single-use plastic products. Can the minister update us on when he expects the act that was recently passed to commence, when the products will actually be phased out and whether there has been any recent assessment of how much it is likely to cost hospitality providers in replacement products while we wait for the shift to more widely available cheaper sustainable products?

**The Hon. D.J. SPEIRS:** The deputy leader would obviously be very aware that the legislation passed in September. We wanted a transition period, a period of encouragement, to those early movers and adopters—there are plenty out there and, equally, there are plenty who are not—for six months or so. My intention is to activate that legislation for 1 March 2021, so that is the plan.

We are working on an education campaign at the moment. That is fairly well advanced in terms of the creative and what that is going to look like, so we will probably roll that out in a pretty consistent way after Christmas, I would imagine. That is just my thinking at this stage, but I think that is probably the way we will go. There has been a bit of, 'Should it be earlier? Should it be later?' I think a six-month period or thereabouts from the passage of the legislation, 1 March, is a clean period of time. I think the community are quite hungry for this.

We have been very consistent, I think, about taking everything through our task force. Our task force that we put together to inform this legislation has people from catering and the hospitality industry, peak bodies, the Hotels Association, disability organisations for obvious reasons, conservation organisations, the Conservation Council, KESAB and the like. We are pretty confident that industry as a whole is feeling the consumer demand is such that they want to make this transition from 1 March and that cost increase.

We know with every passing day the cost of the alternatives is falling. This time last year the cost of bamboo cutlery was much more expensive than it is now. Businesses tell us, 'Look, our customers demand it. If we give them plastic cutlery, people walk out the café, or the takeaway shop.' We do not have a figure. It is a bit, 'How long is a bit of string?', I suppose, in terms of the cost pressure for business, but the message we get from businesses from all walks of life is they are reasonably comfortable with making this transition, because it is what customers are asking for.

**Dr CLOSE:** To follow up on that line of questioning, we all profoundly hope that this will not be the case, but should there be another series of restrictions that hamper hospitality's capacity to serve, increase the amount of takeaway and so on, will the minister reconsider the 1 March date, or is that set in stone?

**The Hon. D.J. SPEIRS:** I would reconsider that. If it had not been for COVID-19, we might have got away with the 1 January date. It would not necessarily have been as long as you might normally have for transition, but I think consumer and hospitality industry interest and demand would have been probably embracing of an earlier date. Let us hope we do not get in a tricky place again with coronavirus, but that date, 1 March, certainly—

*Members interjecting:*

**The Hon. D.J. SPEIRS:** It has been a long day. Anyway, it is a flexible date for me, if something untoward should happen. One of the awful things—there were many awful things—about COVID-19 was seeing the amount of things that went to waste. The preventing of KeepCups and all sorts of things was a hopeless thing to see, but it was the reality.

**Dr CLOSE:** If I may ask about the few matters on this page and the next: Waste Reduction, Resource Recovery, Circular Economy and Green Industry Development. Local government reports that a 40 per cent increase in solid waste levy, which was announced in last year's state budget, has cost councils an additional \$8.5 million. Can the minister advise how much of the funds accumulated in the Green Industry Fund are being reinvested to local communities for waste recycling and resource recovery that support a transition towards the circular economy?

**The Hon. D.J. SPEIRS:** It is not that figure—not the full amount. The deputy leader would be aware that governments of both persuasions have used this levy for other things related to

conservation and climate change and obviously funding the role of the Environment Protection Authority as well.

In terms of the grants that we have given out in 2019-20, local government specifically—and things went to industry as well, which could be seen to be enhancing the circular economy from a private sector point of view—the grants in the centres to local government, \$2.1 million. Kerbside performance around food organics benefitted. That is the distribution of those BioBags and ventilated caddies, \$2.1 million, which now cover 415,292 households—that is a fair chunk of the households in South Australia—and \$265,366 went to councils in recycling infrastructure grants.

There was an amount just short of \$700,000 in regional transport subsidies to help councils bring their waste out to landfills closer to the city, just short of \$500,000 in the council modernisation grants to help them reach all their operations and \$87,390 in circular economy market development grants.

**The CHAIR:** With that answer, perhaps we will say congratulations for one last estimates to Mr Levitzke and wish him the best. Given that the agreed and allotted time has elapsed, there are no further questions, and I declare the examination of the portfolio agency Green Industries SA completed and the estimate of payments for the Department for Environment and Water, administered items for the Department for Environment and Water and Green Industries now closed.

At 16:46 the committee adjourned to Wednesday 25 November 2020 at 08:15.