

**HOUSE OF ASSEMBLY****Thursday, 23 June 2022****ESTIMATES COMMITTEE B****Chair:**

Mr E.J. Hughes

**Members:**

Ms S.E. Andrews

Mr M.J. Cowdrey

Mr L.K. Odenwalder

Ms J.M. Stinson

Mr V.A. Tarzia

Mr S.J. Telfer

*The committee met at 09:00**Estimates Vote***DEPARTMENT FOR TRADE AND INVESTMENT \$106,640,000****ADMINISTERED ITEMS FOR DEPARTMENT FOR TRADE AND INVESTMENT \$951,000****Minister:**

Hon. N.D. Champion, Minister for Trade and Investment, Minister for Housing and Urban Development, Minister for Planning.

**Departmental Advisers:**

Mr D. Reynolds, 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.

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

**The CHAIR:** Welcome to today's hearing for Estimates Committee B. I respectfully acknowledge the traditional owners of this land upon which the committee meets today and the custodians of the sacred lands of our state.

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

**The Hon. N.D. CHAMPION:** I can confirm that.

**The CHAIR:** Changes to committee membership will be notified as they occur. Members should ensure the Chair is provided with a completed request to be discharged form. If the minister undertakes to supply information at a later date, it must be submitted to the Clerk Assistant via the answer to questions mailbox no later than Friday 2 September 2022.

I propose to allow both the minister and the lead speaker for the opposition to make opening statements of about 10 minutes, if they so wish. There will be a flexible approach to giving the call for asking questions. A member who is not on the committee may ask a question at the discretion of the Chair.

All questions are to be directed to the minister, not to the minister's advisers. The minister may refer questions to advisers for a response. Questions must be based on lines of expenditure in the budget papers and must be identifiable or referenced. Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion in the assembly *Notice Paper*. I remind members that the rules of debate in the house apply in the committee. Consistent with the rules of the house, photography by members from the chamber floor is not permitted while the committee is sitting.

Ministers and members may not table documents before the committee; however, documents can be supplied to the Chair for distribution. The incorporation of material in *Hansard* is permitted on the same basis as applies in the house; that is, that it is purely statistical and limited to one page in length.

The committee's examination will be broadcast in the same manner as sittings of the house are broadcast, through the IPTV system within Parliament House via the webstream link to the internet and the Parliament of South Australia video-on-demand broadcast system.

I will now proceed to open the following lines for examination. The portfolio 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. I call on the minister to make a statement, if the minister wishes, and to introduce advisers. I call on the lead speaker for the opposition to make a statement, if he so wishes. I call on the members for questions.

**The Hon. N.D. CHAMPION:** Thank you, Chair. I will make introductions and a very short statement. I would like to introduce my department officers here with me today. On my left is Mr David Reynolds, Chief Executive of the Department for Trade and Investment, and to his left is Rebecca Lang, Manager for Finance, Procurement and Facilities. On my right is Megan Antcliff, Deputy Chief Executive of the Department for Trade and Investment, and behind me is Sophie Adlaf, Director of Strategic Operations.

I would like to thank the department and everyone in it for their very hard work over what has been a difficult year, I think, with the pandemic and a lot of turmoil in international geopolitics and a resulting turmoil in international trade, particularly on the freight and logistics side and energy markets. I would like to particularly thank those employees of the department in foreign posts, who have had a somewhat different experience to us of the pandemic.

Obviously, that varies from country to country but those in China, in particular, have had a starkly different experience to us. I would like to thank them for their hard work and for their commitment to the department at this time. I think this is an important function for the exercise of our democracy and so I welcome questions from the opposition.

**Mr COWDREY:** I am going to begin with the omnibus questions, if that is okay.

**The CHAIR:** That is an unusual approach. Let's get it out of the way.

**Mr COWDREY:** Just to get everyone settled in for the morning.

1. For each department and agency reporting to the minister, what is the total cost of machinery of government changes incurred between 22 March 2022 and 30 June 2022?
2. For each department and agency reporting to the minister, which administrative units were established, abolished or transferred to another department or agency between 22 March 2022 and 30 June 2022 and what was the cost or saving in each case?
3. For each department and agency reporting to the minister, how many executive appointments have been made since 22 March 2022 and what is the annual salary and total employment cost for each position?

4. For each department and agency reporting to the minister, how many executive positions have been abolished since 22 March 2022 and what was the annual salary and total employment cost for each position?

5. For each department and agency reporting to the minister, what has been the total cost of executive position terminations since 22 March 2022?

6. For each department and agency reporting to the minister, will the minister provide a breakdown of expenditure on consultants and contractors with a total estimated cost above \$10,000 engaged between 22 March 2022 and 30 June 2022, listing the name of the consultant, contractor or service supplier, the method of appointment, the reason for the engagement and the estimated total cost of the work?

7. For each department and agency reporting to the minister, will the minister provide an estimate of the total cost to be incurred in 2022-23 for consultants and contractors, and for each case in which a consultant or contractor has already been engaged at a total estimated cost above \$10,000, the name of the consultant or contractor, the method of appointment, the reason for the engagement and the total estimated cost?

8. For each department and agency reporting to the minister, will the minister advise whether it will be subject to the 1.7 per cent efficiency dividend for 2022-23 to which the government has committed and, if so, the budgeted dollar amount to be contributed in each case and how the saving will be achieved?

9. For each department or agency reporting to the minister, how many surplus employees were there at 30 June 2022, and for each surplus employee, what is the title or classification of the position and the total annual employment cost?

10. For each department and agency reporting to the minister, what is the number of executive staff to be cut to meet the government's commitment to reduce spending on the employment of executive staff by \$41.5 million over four years and, for each position to be cut, its classification, total remuneration cost and the date by which the position will be cut?

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

- What savings targets have been set for 2022-23 and each year of the forward estimates;
- What is the total FTE impact of these measures?

12. For each department and agency reporting to the minister, will the minister advise what share it will receive of the \$1.5 billion the government proposes to use over four years of uncommitted capital reserves held in the budget at the time it took office and the purpose for which this funding will be used in each case?

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

- What was the actual FTE count at 30 June 2022 and what is the projected actual FTE count for the end of each year of the forward estimates;
- What is the budgeted total employment cost for each year of the forward estimates; and
- How many targeted voluntary separation packages are estimated to be required to meet budget targets over the forward estimates and what is their estimated cost ?

14. For each department and agency reporting to the minister, how much is budgeted to be spent on goods and services for 2022-23 and for each year of the forward estimates?

15. For each department and agency reporting to the minister, how many FTEs are budgeted to provide communication and promotion activities in 2022-23 and each year of the forward estimates and what is their estimated employment cost?

16. For each department and agency reporting to the minister, what is the total budgeted cost of government-paid advertising, including campaigns, across all mediums in 2022-23?

17. For each department and agency reporting to the minister, please provide for each individual investing expenditure project administered, the name, total estimated expenditure, actual expenditure incurred to 30 June 2022 and budgeted expenditure for 2022-23, 2023-24, 2024-25 and 2025-26.

18. For each grant program or fund the minister is responsible for, please provide the following information for the 2022-23, 2023-24, 2024-25 and 2025-26 financial years:

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

Minister, I take you to Budget Paper 4, page 108 of the Budget Measures Statement. Does the minister believe that the 2022-23 budget will allow his department to grow the trade and investment sectors in South Australia?

**The Hon. N.D. CHAMPION:** The short answer is yes. Part of that is that as part of our election commitments we have decided to make Invest SA the core plank of our economic growth platform. Invest SA is within the Department for Trade and Investment and is the mechanism by which the government will ensure the attraction of strategic new investment into the state. It is an important commitment and will involve Invest SA taking an account management approach to key investment targets, to clients, to ensure that their investments in South Australia are ambitious in scale, integrated with the local ecosystem and realised in a timely manner for the greatest economic impact.

**Mr COWDREY:** What are the operating savings being made up of in 2022-23 and over the forward estimates?

**The Hon. N.D. CHAMPION:** The impacts in 2022-23, the allocated savings target, is \$4.7 million reducing to \$4 million ongoing by 2025-26. We regard that as a perfectly reasonable savings target. We tasked the chief executive with finding efficiencies within the department to realise that target. You may have noticed that we made an announcement today about not proceeding with the Paris trade office. That is an indication of the sorts of savings we are prepared to make in order to reach our target.

**Mr COWDREY:** How much of this financial year's savings task has been allocated across the department to date?

**The Hon. N.D. CHAMPION:** It is early days, and we are still working on that.

**Mr COWDREY:** Have any of the savings tasks for 2022-23 been allocated to the department?

**The Hon. N.D. CHAMPION:** I think I just answered your question. We are currently in a process of reviewing the department. As I said before, we have made an early saving of some \$500,000 already by not proceeding with the proposed trade office in Paris.

We believe that we have a former trade minister as our Agent General in London. We have an office of seven staff over there. Two of those are administrative—a driver and a personal assistant—but the remainder are focused on trade issues, and we believe that all of Europe can be serviced and dealt with through our substantial office in London, which of all trade offices I think has the biggest staffing component. We believe that we can grow investment and traction while making savings, and commit to the important budget task that we have been set.

**Mr COWDREY:** When does the minister anticipate that his CE will have allocated the savings task to his department?

**The Hon. N.D. CHAMPION:** It is anticipated that everything will be done by the Mid-Year Budget Review, and all agencies will have reported back by that time.

**Mr COWDREY:** How do you anticipate making a four-year saving of \$4.7 million this financial year if the savings tasks are not allocated until midyear?

**The Hon. N.D. CHAMPION:** I think the Paris office is a good example of how you can make savings across a time line in order to achieve the overall savings target, so I do not think that is an issue. We will report all of those savings by the Mid-Year Budget Review.

**Mr COWDREY:** How will the minister ensure that the savings task allocated to his department does not impact trade results?

**The Hon. N.D. CHAMPION:** As I said before, as part of our election commitments we have already established Invest SA, which will be a very important platform for growth in the state. Obviously, we also have our overseas trade missions as well, which we have tasked with that process. We believe that Invest SA will be a very important mechanism to attract investment, and we are confident that we can both play our role in growing the economy and providing jobs and foreign investment, as well as meeting our savings task.

I might point the member also to our substantial commitments in both hydrogen and plant protein, which of course run across governments and have, I think, broad bipartisan support for the most part. We are confident that the state's economy, and trade and investment, will all grow over that period.

**Mr TELFER:** Minister, is the decision not to proceed with the Paris trade office an admission that trade with the EU is not as important as other targets?

**The Hon. N.D. CHAMPION:** No. At the moment, as I understand it, the EU free trade agreement negotiations with Australia have recommenced, but they have not finalised. To give you an example, they were postponed in October 2021, they resumed in 2022. Our annual merchandise exports to the EU are some \$980 million. Interestingly enough, I am advised that our top three markets are Belgium, the Netherlands and then France, and our top exports are canola, wine and almonds this year. It is just an interesting fact.

If you look at the geography, while Brexit has clearly separated the United Kingdom and Europe, with the exit, or Brexit, being the end to that political project, it does not stop geography. It is still easy for our London office to service all of Europe, and they have the resources and, as I said before, a former trade minister who is keen to do so. We are confident that we can service that market from London in the same way we would expect our trade missions in New York or Houston to reach out to Chicago or Philadelphia, for instance.

We often ask our trade offices to be based in a city, but do sometimes go across a geographical land mass, and we think that is a perfectly reasonable thing to be done in this instance. It is not an admission of a lack of interest or lack of commitment, it is just simply a sensible savings measure, which we think the people of South Australia will agree with.

**Mr TELFER:** Do you think the non-existence of an FTA with the EU creates a greater importance for a trade office relationship with the EU, as opposed to when there is an FTA in place, because there needs to be, obviously, more targeted and specialised agreements, especially with the \$980 million worth of trade that you highlighted?

**The Hon. N.D. CHAMPION:** I am not quite sure about for how long the negotiations have been going on with an EU free trade agreement, but it certainly has been an issue for some time. I might find that out for you. Clearly, it is led by DFAT and by the national government. But you have to remember that at the moment there is war in Europe, so there is a very big change in European energy, defence and foreign policy, particularly if you look at Germany, which I think is rethinking its energy mix. That perhaps will change the way we engage with Europe.

We had a very big delegation from Germany on hydrogen at the recent Australian hydrogen conference—a lot of interest, which I think is good for the state. Europe remains important, but sometimes we can think of Europe as Western Europe, but Europe stretches from France right across Ukraine right up to the Baltic states. It is a very big place, and we are confident that we can engage with it from the London office.

**Mr TELFER:** Just a bit more on that: you have highlighted economically and logistically how you would manage that. What do you think diplomatically the perceptions will be from members of the EU to see the only trade office being the one run out of a non-EU entity within Europe?

**The Hon. N.D. CHAMPION:** I do not think there will be a great deal of issue with that at all. I think they will understand that it is a practical budget measure, and they will understand that we have a large office in London. That office is very well equipped to deal with that.

**Mr COWDREY:** Minister, what services will Invest SA offer that are different from current trade and investment services?

**Ms STINSON:** On a point of clarification, Chair, what page number are we on at the moment that this question relates to?

**The CHAIR:** Page 108, I believe.

**Mr COWDREY:** It is the same page, 108—the expenditure for Invest SA is part of that page.

**The Hon. N.D. CHAMPION:** Thanks for that clarification. Obviously, the key difference is that we will take an account management approach, which as I understand it we have not previously taken, and that is basically about taking good care of and paying a lot of attention to the clients who come to us, making sure their investments in South Australia are ambitious in scale, are integrated with the current economy, are realised in a timely manner and deliver great economic impact.

I am confident that the department will give them the required attention and service that will mean that there is a qualitative difference in the way that Invest SA works. That will help attract investors in business because, in my experience, the one thing business wants is certainty, both in government decision-making and who they are dealing with, and they want to have a clear relationship as they move their investments forward.

**Mr COWDREY:** So there is no change in services. Are they just going to be better?

**The Hon. N.D. CHAMPION:** I think I have explained how they will be better. It is an account management approach rather than—

**Mr COWDREY:** And the department does not currently undertake an account management approach?

**The Hon. N.D. CHAMPION:** It is about the whole journey. In the past there might have been an interaction with an investor as they approached the department. This will really be about staying with them for their whole journey, not just doing part of it—not doing a narrow bit of it but staying with them in their interactions with government, right the way through as they make their investment, and giving them some confidence that, if they approach the South Australian government about investment, they will have facilitation right the way through their journey.

**Mr COWDREY:** How many additional FTE will Invest SA attract to the department?

**The Hon. N.D. CHAMPION:** There is an extra million dollars a year for Invest SA, but at the moment we are finalising the model. There is funding behind it. There is a clear intent, as I said before, of an account management approach that has an intent behind it, which is really about paying close attention to investors' interests.

**Mr COWDREY:** To be clear, is it \$1 million over the forward estimates or just in this financial year?

**The Hon. N.D. CHAMPION:** If you look at the budget papers, it is \$1 million a year, and there are six staff allocated to it in the budget—that is indicative.

**Mr COWDREY:** Are those six staff simply a transfer from the department?

**The Hon. N.D. CHAMPION:** It is additional funding and listed as additional staff.

**Mr COWDREY:** Minister, just to clarify one or two more things around this issue: is there no intention to have an additional trade office in any other area of Europe?

**The Hon. N.D. CHAMPION:** Not at this time, no. Our intention is to have our London office. You have to remember that the Agent General there is a former trade minister and former member of this chamber. He is well qualified to lead the office to engage with Europe, and we think they have the resources and expertise to do so. I met with Stephen Camporeale, who is our new regional director, and he has had long experience, both here in South Australia and in the United Kingdom, particularly in the defence sector.

I am very confident that he is interested in Europe and can service Europe. He has previously done quite a bit of work in the Baltic states; there is quite a defence relationship up there. We are confident that we can service Europe and that it is a sensible thing to do. They have the resources to do it from London.

**Mr COWDREY:** Minister, you mentioned a million dollars' worth of new money for Invest SA, but the cost savings being allocated to the department are \$4.7 million, averaging at \$4 million a year. Is that money not offset, and that FTE saving not offset, in the savings that the department has been tasked to provide to a matter of threefold?

**The Hon. N.D. CHAMPION:** It reflects the government's priorities. Our priority is to have Invest SA, to properly fund it and to have, as I said, an account management approach and a very intensive commitment to investors as they come to South Australia. I have also been very interested when I have talked to South Australian companies that have investments in overseas markets, and there are several. Thomas Foods is probably the most noted example. They have investments in the United States, a big abattoir in Philadelphia.

There are other South Australian companies with investments in overseas markets. Their outward investments matter a lot to the operation of those companies in South Australia. I am very keen to get the department to look at the totality of it, and Invest SA is a mechanism to do that. Of course, we will take efficiency measures which also reflect our priorities. The Paris office is an example of that. That is no different to what governments do, state and federal, including the previous government. You also had savings and efficiency targets for this department when you were in government.

**Mr COWDREY:** Minister, can you walk me through the current process? A business approaches your department to invest in South Australia. Who do they speak to? Is it an account manager?

**The Hon. N.D. CHAMPION:** At the moment, as it currently stands, there are industry sectors, and an investor will come to them. They will still get a single point of contact from that industry sector, but it is somewhat different from our new approach of Invest SA, where there will be a single portal and then a strong account management process on the way through.

**Mr COWDREY:** So the only change is, instead of the account manager being responsible for businesses based on their sector, they will be assigned businesses based on when they come in the door?

**The Hon. N.D. CHAMPION:** No. At the moment, the department is focused very much on landing the initial deal. To be clear, that is not a bad thing. In the future, Invest SA will be not just about landing the deal but all the follow-through that happens beyond that. I am sure you have heard—I have certainly heard in the past—that it does not matter what kind of government it is, of what persuasion, one of the difficulties is that if you are an investor, you come and make an investment, you land a deal, but then you have implementation issues beyond that. One of the things Invest SA is designed to do is not just land a deal but deliver on it as well as they move through the whole life of the project or the investment.

**Mr COWDREY:** I guess what I am getting at, minister, is: how is this anything other than just an administrative change?

**The Hon. N.D. CHAMPION:** You might make the assertion that it is an administrative change, and I would make the assertion that this is a different approach. I have just described how it is different. It is not just landing the deal. It is actually working with a company or an investor right the way through their project, giving them that intensive, if you like, attention and focus and making sure that that is not just one sector, one time, but really looking across the economy and making sure that if we have an investor and they want to make an investment in South Australia, that is facilitated.

It is not just that you get a deal, you facilitate it and you squeeze every last job out of it. You try to get every last dollar of investment out of it. You try to make it a good experience because I think if you have that intensive focus on investment, that breeds better outcomes in the longer term.

**Mr COWDREY:** What KPIs and accountability measures will Invest SA have?

**The Hon. N.D. CHAMPION:** I think page 120 of the Agency Statement, Volume 4, sets out the performance indicators for 2022-23.

**Mr COWDREY:** That is for the department.

**The Hon. N.D. CHAMPION:** That is for the department, yes.

**Mr COWDREY:** I am asking specifically in regard to Invest SA. You are saying it is different from the department.

**The Hon. N.D. CHAMPION:** No, if you look—

**Mr COWDREY:** So it is the same as the department?

**The Hon. N.D. CHAMPION:** If you look at the budget papers, if you look at the table of performance indicators, page 120 states, 'Foreign investment secured through Invest SA investment facilitation'. It is right there in black and white for you, so I do not quite understand why you are getting hot under the collar over there. It is pretty straightforward.

**Mr COWDREY:** I am perfectly relaxed, minister.

**The Hon. N.D. CHAMPION:** I sense some frustration. I do not want to frustrate you at all.

**Mr COWDREY:** I think you may be mistaken.

**The Hon. N.D. CHAMPION:** The table is there. I could read it into *Hansard* for you. As I said, 'Foreign investment secured through Invest SA investment facilitation, \$750 million'.

**Mr COWDREY:** Over the forward financial years?

**The Hon. N.D. CHAMPION:** That is 2022-23.

**Mr COWDREY:** Yes. Is that imagined to be increasing over the forward financial years?

**The Hon. N.D. CHAMPION:** As I understand it, you do not set those targets in forward estimates, you just set them year by year.

**Mr COWDREY:** So you have no forward vision for Invest SA past this financial year?

**The Hon. N.D. CHAMPION:** The honourable member would understand that, in the current world environment, the trade environment, the energy markets environment, what is happening with freight and logistics across the world, in the same way I would not have asked the previous government to make a prediction about the future in 2019-20 or 2020-21—I think, at the moment, more than ever, there is geopolitical instability.

An example of that instability is the tariffs erected by China on our wine, barley and seafood industries, so I think it makes sense to set a target for 2022-23 and stick to that, but I will just answer your question because there was also, as part of those performance indicators, 4,000 new jobs through Invest SA investment facilitation, and then there is a range of other performance indicators for you to look at.

**Mr COWDREY:** Thank you for bringing my attention to that, minister, because I was about to bring your attention to them. You were telling me that Invest SA is different from the department, yet last financial year the target for foreign investment for the department was \$750 million and the



number of new jobs created for the department was 4,000, so you have simply shifted those targets from the department to Invest SA. Again, I ask the question: is this just an administrative change? What is different?

**The Hon. N.D. CHAMPION:** It is not an administrative change at all. If you look at the budget papers, the performance indicators, if you look at foreign investment into South Australia in priority sectors from companies that are direct clients of DTI, if you look at the 2021-22 estimated result it is \$474 million. So even though those targets are not mentioned at all—

**Mr COWDREY:** But you did mention a pandemic a little bit earlier.

**The Hon. N.D. CHAMPION:** There are reasons for that. I am not trying to be partisan about it. I do not think there is much point in that. I am just trying to say to you—and I am sure you understand this yourself, because you would be getting feedback from the business community as well—it is a very volatile environment out there, in geopolitical terms, in trade terms, and there is a limited amount that the South Australian government or the Department for Trade and Investment can do about that.

We can set targets, we can take a new approach in Invest SA, we can make it our absolute laser-like focus to make sure that those companies and investors that want to come to South Australia and invest in South Australia and do business and create jobs can. We have put resources around it, we have put attention around it. As I said before, we have taken a new approach, and the proof will be in the pudding. I am sure we will be back at estimates in subsequent budgets and you will be holding me to account for those figures.

**Mr COWDREY:** Your main motivation, from what you have presented to this date, is that companies are not happy with their experience with the department as they come through, that you want to provide them with a better level of experience. Your own budget papers show that the estimated result for client satisfaction for those undertaking trade and investment opportunities has exceeded the target significantly and sits at 87 per cent. Do you believe that businesses are not being provided with adequate service from your department at the moment?

**The Hon. N.D. CHAMPION:** I think trade and investment is a broadly bipartisan endeavour and I think the department has done a good job over many different governments over a long time, and I simply want to add to that legacy. It is not a question of reflecting on the department. They do a very good job, very professional.

I admire their commitment to the Public Service and the administration of good government in our state, but we certainly want to allocate some money, \$1 million per year, and we want to have a new approach in Invest SA, which as I said focuses very much on a longer period over which an investment is made. That will hopefully add to, as you say, those already very high satisfaction levels, but there is always room for improvement and we live in a competitive world, so we have to, as I said before, have a laser-like focus on these things.

**Mr TELFER:** Can you clarify for me: the targets are the same under Invest SA as they were last financial year for both jobs secured and foreign investment secured, so you are hoping that the targets will be more likely to be reached through a changing of process to a more intensive account management style?

**The Hon. N.D. CHAMPION:** The targets are the same. We have control over the approach that the department takes and what investments we make in the capacities of the department. Mr Reynolds is bringing a new approach, as a new chief executive, to the department. We have new leadership in the department, we have Invest SA as an election commitment that we have now fulfilled, and as I said before we have this more enhanced, more intensive account management approach that builds on what had been there previously.

The targets are the same, but of course the member for Colton before referred to the pandemic. The pandemic has not gone away. As you would know, certainly over 35 per cent of China's GDP was recently effectively locked down, its large cities were effectively locked down and there was a massive disruption in China's ports, which has affected the international freight market, both sea and airfreight. We might get into that later on, but to give you an example: our airfreight

figures are not dissimilar to what they were pre-pandemic, but a lot of the airfreight is going out not through Adelaide Airport but through Melbourne Airport.

We set these targets—they are the same as last year—but we still face great turmoil in international sea and airfreight and we face great turmoil in trade relationships. We hope that many of those trade relationships get better, because I think the biggest effect that could occur is that they could get better. Equally, the government of the United Kingdom is currently considering, for instance, a volumetric taxation system which, if it was implemented in a particular way, might completely erase the benefits of the Australia-United Kingdom Free Trade Agreement for the wine industry.

There are things that are in our control, and I am here to answer questions about that today. There are clearly many things in trade and investment that are outside our control, and we are trying, as the previous government did, to negotiate that environment.

**Mr TELFER:** Does the minister believe, because of the change of tactic with more enhanced, intensive account management with business, that there are going to be other businesses that are left behind because the resources are put into the ones that are now having a more enhanced, intensive account management? Is the fulcrum of business that you will be able to work with going to be diminished because of this process of resource allocation within the department?

**The Hon. N.D. CHAMPION:** The short answer to your question is that we are not going to leave businesses behind. That is one of the reasons why we put additional resources in. However, the member would be aware that you always have to prioritise investments for their scale, for how many jobs they would produce, for the quality of the investment, for the sustainability of the investment. Often these investments run over a very long period of time—hydrogen is a good example of that; plant protein is a very good example of that.

Both those examples are running across not just our time in parliament, but I think when we see the true fruition of many of them we might all be out of politics by then. I do not know. They are certainly long-term investments. We are very confident that we can give a very good experience to investors and we can properly allocate resources to them, while also focusing on what will deliver the best outcomes for the state of South Australia.

**Mr COWDREY:** Do you imagine appointing an executive to head Invest SA?

**The Hon. N.D. CHAMPION:** I think the answer is that the leadership of Invest SA will come from existing staff within the department.

**Mr COWDREY:** I take you to Budget Paper 4, Volume 4, page 117, and investing expenditure, particularly around the Australian Space Park. Can the minister explain why there is no expenditure on the Australian Space Park project in the 2022-23 financial year?

**The Hon. N.D. CHAMPION:** The Department for Trade and Investment's role is to do the fit-out of the park, which is expected for machinery and equipment. That is expected to happen in 2023-24. The other component of the space park is obviously led by Renewal SA, which is up next. There might be a portion of it answered here and a portion of it that is answered in the next session.

**Mr COWDREY:** Is the expenditure forecast across the forward estimates new money or is it from an existing budget?

**The Hon. N.D. CHAMPION:** It is reflecting in the budget papers for the first time, but it was actually approved under the Modern Manufacturing Initiative under the previous government, and it is also tied to commonwealth money. There will be a commonwealth spend on top of our spend, and this just reflects on when that spending occurs as the park gets leased and then set up.

**Mr COWDREY:** So the federal component has not been allocated to the budget yet?

**The Hon. N.D. CHAMPION:** That is being negotiated by the federal department at this time.

**Mr COWDREY:** Sorry; with the federal department or—

**The Hon. N.D. CHAMPION:** We are negotiating with the commonwealth, but the commonwealth has control of its money—

**Mr COWDREY:** I am aware of that.

**The Hon. N.D. CHAMPION:** Obviously, state governments and federal governments often have to reach agreement on certain things—

**Mr COWDREY:** You have not made an allocation in this budget in terms of federal government money coming in. Is it reflected in the budget papers?

**The Hon. N.D. CHAMPION:** It is not reflected in these budget papers, but it will be once it happens. You will be the first to know.

**Mr COWDREY:** When do you expect those negotiations to wrap up?

**The Hon. N.D. CHAMPION:** We do not have a time frame on that at the moment. I am sure the commonwealth will provide us with a time frame in due course. I am grateful to the honourable member for raising it. I will raise it with the federal industry minister, Mr Husic, when I meet with him.

**Mr COWDREY:** Do you see any risk with the change of federal government that that funding will not come?

**The Hon. N.D. CHAMPION:** I think there is a high degree of bipartisanship in space, similar to defence. I have not had any indication that that has changed. As you would know with caretaker periods in federal elections, that can often delay things somewhat, but I have not had any indication that there is any issue here for the state of South Australia.

**Mr COWDREY:** How many jobs does the government believe will be created through the construction of the Australian Space Park?

**The Hon. N.D. CHAMPION:** So I am clear, are you talking jobs in the construction of the park or jobs that are in the park post that?

**Mr COWDREY:** That was my next question.

**The Hon. N.D. CHAMPION:** Okay.

**Mr COWDREY:** Either we can take the construction phase and then ongoing jobs, or if you want to take both on notice that is quite okay.

**The Hon. N.D. CHAMPION:** What I might do is take both on notice, but there are significant indications of private investment in the park already. If Renewal SA are listening to this it might give them an opportunity to give you some idea about what projections are made for construction.

**Mr COWDREY:** In terms of location of the Space Park, Adelaide Airport has been highlighted as a potential or likely location. Have you spoken to Adelaide Airport in relation to this since becoming minister?

**The Hon. N.D. CHAMPION:** I have met with Adelaide Airport. I think this issue was touched upon, but I have left it to Renewal SA and to the department to do all of the negotiations on it. I thought that was a more appropriate way of approaching the matter.

**Mr COWDREY:** Are there any other locations for the Australian Space Park being actively considered?

**The Hon. N.D. CHAMPION:** Obviously, these are commercial matters. As I understand it, we have always reserved our rights on the location of the park, and I think that is a sensible thing for government to do, but we are continuing on, broadly speaking, with the approach of the previous government on this matter.

**Mr COWDREY:** The minister highlighted FY 2023-24 as a potential construction commencement. Do you have any further detail as to when you would expect construction to commence in that financial year?

**The Hon. N.D. CHAMPION:** Just to be clear, the figure we were talking about before is for fit-out; it is not for construction. Construction will occur, and then fit-out, equipment and all that, and so it will be an involved process. That gives you some indication of the time line. There are some

projections on jobs. The direct impact of the hub build and commencement is 650 jobs, of which there are some 296 direct and 354 indirect. That gives you some indication of the projections.

**Mr COWDREY:** You will still take ongoing on notice?

**The Hon. N.D. CHAMPION:** Yes, and that might have to be something that is updated as the project continues, because there might be slightly more or slightly less as the economic impact unfolds.

**Mr COWDREY:** I will just return to construction commencement. From my reading of what you said, FY 2023-24 was fit-out, so you would expect construction to be finished by then. That would indicate to me that you would expect construction to start in 2022-23, the coming financial year. Are you able to provide any further detail in regard to when you expect construction to commence?

**The Hon. N.D. CHAMPION:** Those questions might best be placed in the next session with Renewal SA.

**Mr COWDREY:** I am happy to ask it then, it is fine.

**The Hon. N.D. CHAMPION:** Fair enough.

**Mr COWDREY:** I refer to Budget Paper 4, Volume 4, page 119, wine export numbers. Is the wine industry being supported through the grants and subsidies programs administered by your department?

**The Hon. N.D. CHAMPION:** Through TradeStart, about 40 per cent of our client base are wineries, wine companies. It is a key export for South Australia. We are the biggest player in the wine industry across Australia. It is a significant exporter, manufacturer and key part of our state's industry, so we are very committed to assisting them. Obviously, there is also the wine expansion and diversification program that was put in place by the former government in, I think, response to the tariff barriers that were erected, which obviously have a very large effect on our industry.

**Mr COWDREY:** So they are the only two specific programs?

**The Hon. N.D. CHAMPION:** There is also the global expansion program.

**Mr COWDREY:** Are these existing schemes or new schemes?

**The CHAIR:** All three of those are existing. TradeStart has been a program in partnership with the commonwealth that has existed for decades. That has a strong bipartisan approach. Anything that lasts for decades shows that it is of great value. We met with winemakers in the South-East, some from Wrattontully, which is a wine district near the Coonawarra, and obviously with the Coonawarra wineries as well, and talked about the issues around trade barriers in particular and its effect on the wine industry and grape growers. We are acutely aware of the attention and assistance they need.

**Mr COWDREY:** What was the maximum amount of funding available for each of these three schemes last financial year, FY 2021-22?

**The Hon. N.D. CHAMPION:** Do you mean the maximum per exporter or what was allocated?

**Mr COWDREY:** The funding allocation for each one.

**The Hon. N.D. CHAMPION:** I might have to take that on notice.

**Mr COWDREY:** What other funding allocations are there for each of those schemes for the coming financial year, 2022-23?

**The Hon. N.D. CHAMPION:** I might take that one on notice as well.

**Mr COWDREY:** Have there been any changes in the allocation of any of those funds between financial years?

**The Hon. N.D. CHAMPION:** There will be some changes going forward. The wine expansion and diversification program was put in place in response to the situation of trade barriers being erected in the largest market we had, China. That was always going to be a program that

changed and evolved over time in response to the circumstances. It was put in place to address the challenge of that market. Clearly, that circumstance has not changed, but we will be looking at all of these programs accordingly.

**Mr COWDREY:** Are you aware of the extent of the changes? How much are you cutting out of the wine export and diversity program?

**The Hon. N.D. CHAMPION:** There was always going to be a decline at some point as the wine industry evolved to deal with that issue of very sudden change in the Chinese market. But we will get back to you. Perhaps we will take the rest of question on notice and provide an answer.

**Mr COWDREY:** Was that decision taken on the back of the savings task allocated to the department?

**The Hon. N.D. CHAMPION:** As I said before, we are still reviewing everything to best allocate resources, but the previous government always anticipated that program would take a downward path as we dealt with the particular challenge of the Chinese market and as wine companies were able to diversify to alternative markets.

**Mr COWDREY:** Has the minister suggested to the industry that they may need to match funding on a one-to-one or fifty-fifty contribution basis?

**The Hon. N.D. CHAMPION:** I have had some meetings with representatives of various wine companies and I cannot recall that ever coming up.

**Mr COWDREY:** Minister, if, as you say, nothing has changed in regard to the wine tariff situation, why would you be making changes now? Do you not believe that the industry needs the continued support?

**The Hon. N.D. CHAMPION:** Clearly, this was a suitable response by the previous government to deal with a sudden change in international markets, in particular our biggest market. It was worth roughly \$800 million. I should get my figures right. It fell \$733 million between calendar year 2020-21. It fell from \$795 million to \$21.5 million, which is a very dramatic drop in a single year. So this program was put in place to help wine exporters find alternative markets.

Realistically, China was a unique market and could not be replaced by any government of any persuasion in Australia. There was always going to be a period when the industry had to adjust, and this program was there for them to adjust. As they adjusted, there would be a drawdown, and that was anticipated by the previous government, unless the honourable member is telling me that the previous government put this in place as a permanent feature.

**Mr COWDREY:** But is the industry not about to be hit by another issue regarding the tariffs that were recently introduced by the UK? Are you able to give us an indication of what impact you expect that will have on the wine industry?

**The Hon. N.D. CHAMPION:** I certainly would not predict the deliberations of the government of the United Kingdom or the House of Commons. I know the Agent General and our office in London are paying close attention to this. I have raised it with the consul general from the United Kingdom because the government is concerned that the benefit from the free trade agreement will effectively be cancelled. It is a different circumstance from China, where we had a pretty established market and it disappeared overnight.

What we are talking about here is we have a benefit out of a free trade agreement that might then be erased, mainly for red wines, I might add. It does not affect whites so much because the volumetric taxation goes on alcohol. We are famous for big, bold reds, particularly from the Barossa and other places. The situation in the United Kingdom is somewhat different. In any event, South Australian wine exports to markets outside of China have increased by 17.9 per cent for the year ending March 2022.

The industry itself understands that it had to respond to the trade barriers that were erected and find alternative markets. This program was there to assist them. We are going to continue to assist them, but they are already finding new markets. I would not say it has been an easy time for the industry, but industries do respond. We also had tariffs on barley. That was a commodity that

very easily and very quickly went to alternative markets, so it is less of an issue. We know for our seafood exports, that also has gone to other markets—

**Mr TELFER:** Not all of them.

**The Hon. N.D. CHAMPION:** Not all of them, but some of them. We know it ultimately ends up in one market. It is just going alternative routes.

**Mr COWDREY:** Where does the UK rate in terms of export markets of wine from South Australia?

**The Hon. N.D. CHAMPION:** I will take that on notice and get the precise figures, but it is high, along with the United States and, previously, China.

**Mr COWDREY:** Does it factor in the top five wine export markets?

**The Hon. N.D. CHAMPION:** The program that we have focuses on the following established markets: United States, United Kingdom and Canada.

**Mr COWDREY:** Minister, I am simply asking—

**The Hon. N.D. CHAMPION:** I will get those figures for you. In the developing world, we are focused on Japan, South Korea, Hong Kong, Singapore, Malaysia and New Zealand. In terms of emerging: the Gulf States, United Arab Emirates, Thailand, Vietnam, Scandinavia, Western Europe and India. There were 25 wine recovery initiatives over 2022-23 and 19 projects delivered in the previous year.

**Mr COWDREY:** Are you planning on answering the question?

**The Hon. N.D. CHAMPION:** I said I will take it on notice and provide you with the specifics. I said that at the beginning of my answer. I was just trying to give you information.

**Mr COWDREY:** I am not sure if that was relevant to the question. Minister, will the government continue trade relationships via e-commerce and retail initiatives with the US, UK or any other international trade locations regarding wine?

**The Hon. N.D. CHAMPION:** When you say e-commerce, are you talking about the virtual matching program? Is that what you are talking about?

**Mr COWDREY:** Yes.

**The Hon. N.D. CHAMPION:** The virtual business matching program was a response by the previous government to the pandemic, to all international travel being locked down, to companies not being able to do face-to-face wine tastings.

**Mr COWDREY:** You can just say no, if that is the answer.

**The Hon. N.D. CHAMPION:** Steady.

**The CHAIR:** Give the minister an opportunity to answer the question as he so wishes.

**The Hon. N.D. CHAMPION:** I am doing my best to—

**Mr ODENWALDER:** Start again.

**The Hon. N.D. CHAMPION:** I could start again. It is a response to a particular set of circumstances that no longer exist and, I might add, there are private sector applications that would be easier for wineries to use. So why would we continue a program that was pandemic-related and that, now, the wine companies themselves have more than adequate ability to access anyway? I think it would be strange to continue such an arrangement.

**Mr COWDREY:** I take you to Budget Paper 4, Volume 4, page 118. What is the status of the Port Bonython project?

**The Hon. N.D. CHAMPION:** Port Bonython is being handled by the Treasurer and the Minister for Infrastructure and Transport. The Department for Trade and Investment's role is to facilitate those who might want to invest in it, so you would have to ask about the status of the project in Minister Koutsantonis's estimates. It is a whole-of-government role, but our role is to use Invest SA

to case manage those who want to invest in that very important project and to facilitate what is happening there.

**Mr COWDREY:** So the government will be using Invest SA to attract investors to the hydrogen hub project?

**The Hon. N.D. CHAMPION:** In the same way we would use Invest SA to attract investors in any industry where it delivers investment, jobs, sustainable outcomes and, in this case, clean energy. It is an extraordinarily important opportunity for the state. You would have heard the Premier, the Treasurer, the Minister for Infrastructure and Transport and myself talk about it many times because it is a very important opportunity for this state and one that we do not intend to miss.

**Mr COWDREY:** I believe the latest advice was that there were seven short-listed projects for the Port Bonython land. Is the minister in communication with any other companies or interested parties to participate or invest in the Port Bonython project?

**The Hon. N.D. CHAMPION:** That is being managed by the Treasurer and there are probity arrangements around it. I am advised that we are unaware of any other arrangements in place.

**Mr COWDREY:** To be clear, DTI's role is to manage investors coming in the door and then they are simply straightaway transferred to Treasury. Where is the intersection between DTI's role, Treasury's role and Renewal SA's role?

**The Hon. N.D. CHAMPION:** There is the construction of the project and the probity arrangements around that, which are all run by Treasury. When individual companies want to make investments, that is when the department would step in and take that account management role. Port Bonython is a very important project and you expect it to have the government's full attention. That is why the construction section of it is in Treasury and sits with the Treasurer.

**Mr COWDREY:** I take you to Budget Paper 4, Volume 4, page 116. I am just going to walk through a series of questions in regard to trade offices. Will there be any other trade offices that will be closed?

**The Hon. N.D. CHAMPION:** There are no plans to close posts. Once posts are established, of course, you have a lease, you have a person employed, and at that point a post becomes very valuable. Certainly, I would be very reluctant to entertain notions of closing any posts that currently exist, because I think you get a measure of value once a post is established, once you have a person in place. Where it has been in place for some time, you do get a great deal of value out of it, and by removing it you do not necessarily get a corresponding saving. I think our current trade office network will be the same at the next estimates as it is today.

**Mr COWDREY:** Will the government be investing in any new offices?

**The Hon. N.D. CHAMPION:** That has not been entertained by the government.

**Mr COWDREY:** Are you able to provide to the committee a copy of all trade office leases?

**The Hon. N.D. CHAMPION:** I might take that on notice. There are some arrangements with the commonwealth through DFAT and our embassies, and obviously there will be different arrangements at different places. I might take that one on notice.

**Mr COWDREY:** In the absence of being able to provide that answer, if you could provide us with the expiration of leases.

**The Hon. N.D. CHAMPION:** The expiration of leases?

**Mr COWDREY:** If you are not able to provide us with a copy of the lease, can you provide us with the information relating to the expiration of those leases?

**The Hon. N.D. CHAMPION:** I just say to the member for Colton, I do not think that it is in the state's interest for the public release of leases because they are commercial arrangements. We will take that on notice and we will look at what is an appropriate level of information to give you.

**Mr COWDREY:** The high-level detail is all that is being asked for, the expiration of those lease agreements.

**The Hon. N.D. CHAMPION:** Okay.

**Mr COWDREY:** Are you able to outline for the committee any movement in the head count from trade offices?

**The Hon. N.D. CHAMPION:** Do you want me to read them in?

**Mr COWDREY:** Please.

**The Hon. N.D. CHAMPION:** For Shanghai there are two staff; Tokyo, two staff; Guangzhou, one staff; and New York, one staff. The following all have one staff: Seoul, New Delhi, Singapore, Houston, Dubai, San Francisco, Hong Kong, Jinan and Kuala Lumpur. The OAG London has seven staff.

**Mr COWDREY:** Have there been any movements or are there budgeted to be any movements in the coming financial year?

**The Hon. N.D. CHAMPION:** No.

**Mr COWDREY:** What are the budgets for each of the trade offices that you just read out, for financial year 2022-23?

**The Hon. N.D. CHAMPION:** Shanghai, \$671,979; Tokyo, \$1,062,335; Guangzhou, \$166,680; New York, \$427,660; Seoul, \$393,046; New Delhi, \$243,649; Singapore, \$440,430; Houston, \$445,797; Dubai, \$347,017; San Francisco, \$292,871; Hong Kong, \$451,734; Jinan, \$175,583; Kuala Lumpur, \$210,666; and the OAG London, \$1,430,011. They are similar numbers across previous years as well.

**Mr COWDREY:** Budget Paper 4, Volume 4, page 119: we will just finish quickly on a couple of questions relating to Brand SA. How many FTEs will be assigned to Brand SA?

**The Hon. N.D. CHAMPION:** Brand SA is a very important program. It is an election commitment and an important one, and there are thousands of business that have used Brand SA. It is a very popular thing out there in industry and the community. In the future I hope it has bipartisan support. The key step is to set up an advisory board that will help us engage with industry on how Brand SA evolves over time. As part of that evolution and part of the setting up of the advisory committee we will be allocating staff to it. I do hope that, once it is set up, once it is re-established—because it was a very important asset to our state—it gets bipartisan support into the future.

**Mr COWDREY:** Budget Paper 4, Volume 4, page 118, regarding the Agent General: will there be any changes to that particular position in terms of tenure, position or any arrangements at all?

**The Hon. N.D. CHAMPION:** The Agent General reports to the Premier. His office reports to the department, but the Agent General himself reports to the Premier. That is a relationship between the Premier and the Agent General and I would not dare impose upon it. If you have questions in that regard I suggest you make them to the Premier in future estimates.

**Mr COWDREY:** Back to Brand SA, what are the targets attributed to Brand SA and how will they be measured?

**The Hon. N.D. CHAMPION:** One of the key things we are keen to do is to do a 'buy local' campaign and encourage South Australians to switch \$1 in every \$20 to spending on local products. We are very fortunate in South Australia to have an independent supermarket sector, and a dynamic one. They have a very different offering to Coles and Woolies; not to knock Coles and Woolies but Coles and Woolies sometimes think they are real estate companies where they charge manufacturers for what they put on the shelves.

Our independent supermarkets in South Australia really do operate as 'super' markets. They provide shelf space for local products, and that is why South Australians like to go there. I hope Coles and Woolies do the same thing, as well as Aldi and everybody else, and look at their business model and give local manufacturers a go.

What this is all about is encouraging South Australian consumers to make that choice. If you can go with a South Australian product then do that, and if you can pay a bit more for it that is even



better. If you can help those companies climb the value chain that is even better, and focus in on it being local, on it being quality, and on it providing jobs and investment to South Australia.

**The CHAIR:** Thank you, minister. The time allotted having expired, I declare the examination of the portfolio of the Department for Trade and Investment completed. I thank the public servants for all their work leading up to their appearance before the committee.

*Sitting suspended from 10:31: to 10:45.*

**DEPARTMENT FOR TRADE AND INVESTMENT, \$106,640,000**  
**ADMINISTERED ITEMS FOR THE DEPARTMENT FOR TRADE AND INVESTMENT, \$951,000**  
**ADMINISTERED ITEMS FOR THE DEPARTMENT OF TREASURY AND FINANCE,**  
**\$2,365,934,000**

**Membership:**

Ms Pratt substituted for Mr Cowdrey.

**Minister:**

Hon. N.D. Champion, Minister for Trade and Investment, Minister for Housing and Urban Development, Minister for Planning.

**Departmental Advisers:**

Mr C. Menz, Chief Executive, Renewal SA.

Mr M. Wood, General Manager, Commercial and Corporate, Renewal SA.

Mr T. Cole, General Manager, Major Projects and Pipeline, Renewal SA.

Mr T. Perry, General Manager, Project Delivery and Property, Renewal SA.

Ms R. Ager, Director, Office of Chief Executive, Renewal SA.

**The CHAIR:** Welcome everybody. The portfolio is Renewal SA. The minister appearing is the Minister for Housing and Urban Development. I advise that the proposed payments remain open for examination and that the administered items line for the Department of Treasury and Finance is now open. I call on the minister to make a statement, if he so wishes, and to introduce his advisers. I call on the lead speaker for the opposition to make a statement, if they so wish. I call on members for questions.

**The Hon. N.D. CHAMPION:** I will do introductions first. This is Mr Chris Menz, Chief Executive, to my left, and Mr Michael Wood, General Manager, Commercial and Corporate, and to my right is Tony Cole, General Manager, Major Projects and Pipeline. Behind me is Rose Ager, Director of the Office of Chief Executive, and Mr Todd Perry, General Manager, Project Delivery and Property. I would just like to make a very short statement thanking Renewal SA and all the staff for their hard work on behalf of the state, and I will proceed directly to questions.

**Mr TELFER:** I will proceed directly to questions. Thank you very much, minister. I will direct your attention, obviously, to Budget Paper 3, page 77, which is the accumulated amount of the Renewal SA budget allocations. Can I firstly ask on the Bowden Gasworks site, what is the status of the review, and is it on track to be delivered within the stated times?

**The Hon. N.D. CHAMPION:** The review is actually being managed by the Department for Trade and Investment, for probity reasons, so you should have really directed your question to me

in the previous session. It is on track, and we do expect it to report along the time lines that I have previously indicated to the parliament.

**Mr TELFER:** Can you let us know how many more weeks until you expect that to be completed from today?

**The Hon. N.D. CHAMPION:** No, I cannot give you a blow-by-blow description. It is being managed by the Department for Trade and Investment, and Mr Reynolds, and as I said before the appropriate time and place would have been to ask in the previous estimates. I can understand why the member would ask me now, but because these things are commercial-in-confidence, and there is a great deal of sensitivity about them, I have left that to the department to manage.

**Mr TELFER:** What is the involvement of the RSA procurement team in the review?

**The Hon. N.D. CHAMPION:** To clarify your question, are you talking about the review or the sale?

**Mr TELFER:** The review.

**The Hon. N.D. CHAMPION:** The review has been undertaken by the Department for Trade and Investment. Renewal SA only provides them with information to AECOM and the reviewing team upon request.

**Mr TELFER:** Has the proponent MAB expressed any concerns with the review with respect to the timing?

**The Hon. N.D. CHAMPION:** There are two processes going on here: on one hand there is the government's election commitment to have a review, to release the weightings and other criteria around the Bowden Gasworks proposal, which was announced by the previous government very shortly before the caretaker agreement. So that process is being undertaken by the Department for Trade and Investment, and then Renewal SA continuing their good faith negotiations with MAB. I have not met with MAB, I have left all the negotiations to Renewal SA. MAB have asked Renewal SA about the time line as part of those negotiations.

**Mr TELFER:** Has MAB expressed concerns to Renewal SA about those time lines?

**The Hon. N.D. CHAMPION:** These are commercial-in-confidence negotiations, so I do not think it is sensible to characterise them in any way. I think I have provided the information that they were interested, understandably, in the time line, as you are. I have indicated what the time line is to the parliament, and I think I have indicated what the government's election commitment is many times and we have discussed this a lot, but I do not think it is sensible for any of us to set a standard where we would be talking about negotiations or about different participation in the negotiations.

**Mr TELFER:** I am only asking if they have expressed concern, that is all, not detailed negotiations.

**The Hon. N.D. CHAMPION:** Yes, but the honourable member would understand that all negotiations, whether they be industrial, whether you are negotiating on your farm or you are on council as mayor and are negotiating, it is just not sensible, where you have commercial-in-confidence arrangements, to be giving any commentary on them, and I will not give any commentary now and I will not be in the future.

**Mr TELFER:** Minister, for how long will MAB hold its pricing, given the rapid changes we have seen in construction costs in recent months?

**The Hon. N.D. CHAMPION:** As part of the process set up by the previous government, the preferred proponent is required to hold all of those numbers until a deal is finalised.

**Mr TELFER:** Has the delay to the project changed the project's financials, resulting in higher risks to the state, particularly around the cost of remediating contamination?

**The Hon. N.D. CHAMPION:** Just to take a step back so that the honourable member understands how this is accounted for in Renewal SA's books, the Bowden Gasworks sale would only be accounted for in any way once the agreement is signed. At the moment, Renewal SA is assuming the original plan, which I think dates back to the decision of the government in 2010, if you

go back and look at the Public Works Committee hearings that were held at the time. So the current budget assumes that Renewal SA would be undertaking and paying for the remediation on the site.

**Mr TELFER:** Has there been any consideration by Renewal SA into the potential risks of a change of financials around those costs due to the process?

**The Hon. N.D. CHAMPION:** It is no different to the previous government's approach. There is a contingency built into all these projects to account for the rising cost of remediation or any other factor that might go into a project. Projects are only put in the books once they are signed. So it is common sense that, for example, if you were going to sell me your house, we would only regard it as sold when you sign the contract and the cooling-off period has finished.

Again, with Renewal SA's projects, it is only when the deal is done that they appear in the budget. Until that time, all the remediation costs and all the other factors around Bowden or any other proposed project are accounted for as part of Renewal SA's accounting, and there are appropriate contingencies left for them.

**Mr TELFER:** Do you believe that the contingencies that have been set aside are going to be adequate for any of those changes?

**The Hon. N.D. CHAMPION:** In Bowden's case, Renewal SA had anticipated and projected for a high degree of remediation cost. My advice is that it is already factored in.

**Mr TELFER:** Obviously, then, Renewal SA has done some work to consider if any changes might be within the contingencies. What I am trying to get to is whether the work has been done to make sure whether any delay due to the review or the process has caused any extra costs that have not been accounted for. You are saying that there is a high degree of contingency.

**The Hon. N.D. CHAMPION:** On remediation?

**Mr TELFER:** On the whole project, but obviously remediation is a major component of it.

**The Hon. N.D. CHAMPION:** It would be fair to say Renewal SA is very familiar with the remediation task on this site. I am advised that they look at it every six months, and they are confident that their numbers adequately reflect the task that we might face.

**Mr TELFER:** I certainly agree that they are well versed with this project. Has the proponent, MAB, been advised that it may need to restructure its proposal to accommodate any outcomes of the review?

**The Hon. N.D. CHAMPION:** Advised by whom?

**Mr TELFER:** Renewal SA.

**The Hon. N.D. CHAMPION:** No.

**Mr TELFER:** Has the probity adviser for the project expressed any concerns around the structure of the review?

**The Hon. N.D. CHAMPION:** The review is, as I said before, being undertaken by the Department for Trade and Investment. One of the reasons we did that is to meet the highest probity standard and to make sure that Renewal SA was separated from the review process because we thought that would be the best thing for the state of South Australia.

**Mr TELFER:** If the government decides to overturn the independent process undertaken by Renewal SA for the selection of MAB to develop the gasworks site at Bowden, will the government compensate the proponent?

**The Hon. N.D. CHAMPION:** I will not be entertaining hypotheticals about the future.

**The CHAIR:** Can we tie it a bit closer to budget lines?

**Mr TELFER:** Budget Paper 3, page 77.

**The CHAIR:** I know there is a review. We can talk forever about the review and what might happen—

**Mr TELFER:** This is about the operations of Renewal SA.

**The CHAIR:** —but it is highly speculative what that review is going to turn up. If we can make it somewhat tighter. I have been pretty flexible.

**Mr TELFER:** Indeed. I appreciate that, Mr Chair. I am happy to move onto the next subject matter, minister—and you did direct us in the previous session—with questions about the Australian Space Park. It is to do with Budget Paper 3, page 77, and Budget Paper 4, Volume 4, page 117 is also incorporated within this project. Can the minister highlight if there is any expenditure on the Australian Space Park project in the 2022-23 budget?

**The Hon. N.D. CHAMPION:** It is proposed that the construction of the park will be done by a private developer, so it is not a cost to Renewal SA in that year. As I described before, there will be the construction. Even when a lease is concluded, after negotiations, then construction will be by the private consortium, then the fit-out, as we talked about in the previous estimates session, will occur, and then it is proposed that the opening will be in 2025.

**Mr TELFER:** Do you have a time line on, firstly, expected construction starting and completion dates?

**The Hon. N.D. CHAMPION:** We are projecting out, but the first step is to successfully conclude an agreement with both a lease and a private developer and then everything flows from that. As I said before, you can see from our budgeting in the Department for Trade and Investment that we have budgeted for the fit-out. We are very hopeful that this will proceed as the previous government expected. I am leaving it, obviously, to Renewal SA. We want to make sure that we get the best possible deal for the state of South Australia. I know Renewal SA have a keen eye for good value and good negotiation, so we should let them do their work and I am confident everything will flow from that.

**Mr TELFER:** Do you have any insight into when the agreement with the developer might be finalised time wise?

**The Hon. N.D. CHAMPION:** I think it would be foolish for me to speculate about that. These are commercial-in-confidence negotiations. We want them to happen in good faith for the progress of the state. I would be happy to facilitate for the opposition a briefing if they wish, but I would be reluctant to speculate in estimates hearings about it.

**Mr TELFER:** Is the minister confident that it will be completed in time to have the construction begun for the estimated 2023-24 fit-out, and to then be looking at the completion date at the end of June 2025?

**The Hon. N.D. CHAMPION:** We would not have budgeted for it if we were not planning to have the fit-out in that year.

**Mr TELFER:** I am asking about the process.

**The Hon. N.D. CHAMPION:** Of course, but we have to get the lease negotiated. I think it is sensible for all of us to leave that to Renewal SA. They have a very good chief executive and negotiating team. We should leave that to them and then in subsequent estimates I am sure you will be asking me about the fit-out and the construction. Essentially, our aim as a government is as bipartisan as it can get with the previous government.

**Mr TELFER:** Indeed, I am sure I will be referring to these notes as I look at the next estimates. Can you give me an insight into the federal government's support level for the project through grants and funding?

**The Hon. N.D. CHAMPION:** Again, I think we went over that a little bit in—

**Mr TELFER:** And you sort of passed it to this session as well.

**The Hon. N.D. CHAMPION:** There is obviously complex interaction, and I think we talked about that. It would not come to Renewal SA; it would come to the Department for Trade and Investment. Obviously, I will undertake to talk to the federal minister, Ed Husic, who I served with in the national parliament and who I know well and who I am very pleased is now the industry minister. I will undertake to find from his office an answer. I am sure the member for Elizabeth would know

Minister Husic's Chief of Staff, Mr Brett Gale. He is a friend of South Australia. I will undertake to find out for the opposition the status of those payments.

**Mr TELFER:** Thank you. Do you have an insight into how many companies will be able to make the Space Park their base?

**The Hon. N.D. CHAMPION:** Four to five major companies, but we are also anticipating that there might be growth in the future and are planning for that growth.

**Mr TELFER:** Adelaide Airport was highlighted as a prospective location for the Australian Space Park. Have you spoken to Adelaide Airport in relation to this since becoming minister?

**The Hon. N.D. CHAMPION:** I had an introductory meeting with Adelaide Airport in my office and it was raised as a general issue, but I have left all the negotiating to Renewal SA, as you would expect. These are important negotiations for the state. Renewal SA has a process where they look across the state, look at making sure they get value for money for the taxpayers of South Australia.

**Mr TELFER:** Flowing on from that, are any other locations for the Australian Space Park being actively considered?

**The Hon. N.D. CHAMPION:** There has always been a range of options, and I think it is sensible in any commercial-in-confidence negotiations that Renewal SA might enter into that I do not speculate about those options. I think it is important that the opposition do not speculate about it either. We hope to continue in the same endeavour and with the same energy with which the previous government approached this very important initiative. I am very confident that Renewal SA can successfully conclude their negotiations so we can get on with building a space park and then driving this industry.

**Mr TELFER:** To clarify, the negotiations with Adelaide Airport have commenced, but there has been no agreement as yet reached?

**The Hon. N.D. CHAMPION:** That is correct.

**Mr TELFER:** Is there an insight into a target of when the construction will commence?

**The Hon. N.D. CHAMPION:** If the negotiations are commenced and concluded, we would expect construction to begin next year and the fit-out and all the rest of it to follow, and for it to open the following year after that.

**Mr TELFER:** Can you clarify that 2024-25 when construction—

**The Hon. N.D. CHAMPION:** For opening.

**Mr TELFER:** For opening. And that it is when it can be available for companies to start operating from?

**The Hon. N.D. CHAMPION:** Predicated on a successful conclusion of leasing arrangements, and obviously they are still being negotiated.

**Mr TELFER:** Is the minister taking any additional steps to make sure that we retain the first mover advantage that we have and that we keep attracting investment and manufacturing to the Australian Space Park? What is the minister doing proactively to try to make sure we lock that in and maximise the opportunities?

**The Hon. N.D. CHAMPION:** These are leasing arrangements. The first section of it is properly left to Renewal SA's management.

**Mr TELFER:** Indeed.

**The Hon. N.D. CHAMPION:** And I think that is appropriate. As I said before, this is a bipartisan endeavour, but there might come a time when the minister, and indeed the shadow minister, might be out there pumping up the industry and trying to facilitate it. Obviously, DTI will be doing their approach to Invest SA and all the rest of it, but at the moment, at this phase, the appropriate thing for a minister to do is to leave these negotiations to Renewal SA to undertake on behalf of the state of South Australia.

**Mr TELFER:** The question was not about the negotiations. It is about what you are doing as a minister to look at that next step. You are not actioning anything at the moment? You are waiting until the agreement is in place and construction has begun? There is nothing happening at the moment?

**The Hon. N.D. CHAMPION:** There is plenty happening. There is a budget allocation to it.

**Mr TELFER:** That is what I am trying to work out: what role you have as minister in that.

**The Hon. N.D. CHAMPION:** One has to be careful, I think. There are commercial negotiations. I trust Renewal SA; I have a high degree of trust in the expertise of the management team of Renewal SA and I am confident that they can successfully conclude this sensitive stage of this project. Once that is concluded then obviously there is a role for the government, but you do not put the cart before the horse.

**Mr TELFER:** No, but you want to know where your cart is going.

**The Hon. N.D. CHAMPION:** Two country boys arguing.

**Mr TELFER:** Yes, that is the problem. I will cast the minister's attention back to the general Renewal SA, Budget Paper 3, page 77. Can the minister advise of the status of the Playford water recycling scheme?

**The Hon. N.D. CHAMPION:** Renewal SA is continuing to attempt to source water for this very important project, both for open space and for residential. I suspect the honourable member knows that this has been an ongoing issue for some time and it properly should have the attention of estimates, but at the moment Renewal SA is still negotiating.

**Mr TELFER:** Negotiating with who?

**The Hon. N.D. CHAMPION:** I have some history on water projects in the north.

**Mr TELFER:** I can imagine.

**The Hon. N.D. CHAMPION:** I could talk for a long time about the Bunyip water scheme, which was originally the Gawler water re-use scheme, but of course there is also a range of water projects: the northern areas irrigation scheme—

**Mr TELFER:** Do not divulge too much. I am happy to look at the Playford water recycling scheme.

**The Hon. N.D. CHAMPION:** There is some interaction, though, between sources of water across the north. Renewal SA is in negotiations with the City of Playford and the northern area irrigation scheme to try to see if there is an offtake of water that might be used for the residential areas and for open space.

This is an issue that has run across a couple of different governments. There are some technical challenges, but it is a worthy aim. My experience with water projects across the north—and the reason I mention Bunyip water scheme is that the Bunyip water scheme, which now provides water to the western Barossa, was originally supposed to provide urban water for Gawler. Often these projects are very tough to negotiate and sometimes they take some time. Renewal SA is endeavouring to make that project work.

**Mr TELFER:** You have mentioned that negotiations with the City of Playford are happening. Has the minister or Renewal SA had any negotiations with Water Utilities Australia in relation to its proposal?

**The Hon. N.D. CHAMPION:** Renewal SA has been talking to a range of parties across the north in relation to water.

**Mr TELFER:** Is it Renewal SA's position that the most cost-effective option for government is for all allotment connections within the scheme to be disconnected?

**The Hon. N.D. CHAMPION:** That is not the preferred option or approach. The preferred option or approach is to obviously get water to complete this project. I might add that there have been a huge number of water projects across the north and, as I said before, there are challenges

in delivering them. The City of Salisbury, and Playford, had the first aquifer storage recharge, so there has been a great ambition in the north about water. Our preferred outcome is for the scheme to begin operation but, clearly, there is always going to be an option there to do what the member articulated.

**Mr TELFER:** That being the case, is Renewal SA undertaking a risk assessment relating to the abandonment of this scheme?

**The Hon. N.D. CHAMPION:** Renewal SA would furnish me with a risk assessment in any circumstance, including this one, if that were appropriate.

**Mr TELFER:** Has Renewal SA done any calculations on the financial impact of abandoning the scheme?

**The Hon. N.D. CHAMPION:** They have, but they have not been finalised.

**Mr TELFER:** Is there an expected conclusion date when those numbers will be finalised?

**The Hon. N.D. CHAMPION:** In the next six months.

**Mr TELFER:** Until such time as the government does decide to change the scope of the Playford water recycling scheme, is Renewal SA continuing to install the infrastructure that goes along with that?

**The Hon. N.D. CHAMPION:** Yes.

**Mr TELFER:** Flowing on from that—no pun intended—how many houses are getting water through the purple pipe scheme?

**The Hon. N.D. CHAMPION:** At the moment, it is the same as the situation that occurred under the previous government, which is that they are relying on SA Water for potable water. The purple pipes have effectively not been connected.

**Mr TELFER:** There are none going through?

**The Hon. N.D. CHAMPION:** No. It has not changed from when you were previously in government.

**Mr TELFER:** Continuing on page 77, which is Renewal SA, and talking about aircraft maintenance at Edinburgh, what is the status of this project?

**The Hon. N.D. CHAMPION:** If I might praise my predecessors, this is a very good project. It is in my electorate, my previous federal electorate. It would be fair to say that Edinburgh has been transformed over the last 15 years. To give you a potted history, I was on the first Public Works Committee that approved some of the very important upgrades to that base. There has been a strong degree of support from the state government—of either persuasion—to deliver investment in that area, and we are going to continue with that. It is a very good project.

Renewal SA is currently in negotiations about a lease, about facilities, but essentially this project has a high degree of bipartisan support. It creates jobs, it creates a skill base, a very important skill base in avionics, a highly technical and highly capable skill base, which we think will be a great benefit to the country and the state. So if I might praise the former government, this was a very good project and Renewal SA is doing its very level best to advance it.

**Mr TELFER:** Is there an insight when it is expected that this development will commence?

**The Hon. N.D. CHAMPION:** It is still on track I think broadly to finish all the negotiations, and all the appropriate passage through government, and to begin in 2023 and finish in 2025.

**Mr TELFER:** Begin construction in 2023-24?

**The Hon. N.D. CHAMPION:** 2023 to 2025.

**Mr TELFER:** Is it envisioned that the state will be the owner and developer of this facility or will it be developed for the private sector to manage?

**The Hon. N.D. CHAMPION:** That is still a matter of negotiations between the commonwealth and the state government through Renewal SA.

**Mr TELFER:** Has there been work done to estimate what the cost might be to the state if the state-owned option is undertaken?

**The Hon. N.D. CHAMPION:** Negotiations are still ongoing, but we anticipate it would be cost neutral. Overall, there might be some infrastructure costs on one side, but there would be a lease on the other, and we think that would broadly be cost neutral. Of course, the great benefit to the state is having the facility and the skills base and another addition to the Edinburgh defence base complex.

**Mr TELFER:** Can I draw the minister's attention to Budget Paper 3, page 80, full-time equivalents. Can the minister explain the reduction in FTEs at Renewal SA over the forward estimates?

**The Hon. N.D. CHAMPION:** That just reflects the ebb and flow, and completion of projects. Renewal SA is not like a normal government department. They are project based, so they hire people for particular projects, and once those projects are completed they move off to bigger and better things, hopefully.

**Mr TELFER:** Bigger and better than Renewal SA? They must be big and very good. I will continue to look at some of the different aspects of Renewal SA work, and referring to page 77 of Budget Paper 3, which is the one we have been concentrating on. Can the minister give an update on Renewal SA's involvement in the investigation into Buckland Dry Creek's involvement in the mangrove dieback?

**The Hon. N.D. CHAMPION:** The honourable member should go out the door, turn right and go down to estimates for the Deputy Premier and environment, or there is the Department for Infrastructure and Transport. It is not something that Renewal SA is involved with. We are a landholder at Dry Creek and the salt pans, and it is a very important site to the state, but we are not involved in that aspect of it.

**Mr TELFER:** What is the status of the Buckland Dry Creek application for future use of the Dry Creek salt fields? Is it something which Renewal SA would be involved with?

**The Hon. N.D. CHAMPION:** It is a planning matter, so you can ask about that—

**Mr TELFER:** When you put your next hat on.

**The Hon. N.D. CHAMPION:** Yes, when I put my next hat on—as a useful demarcation; you can tell I am a trade union member.

**Mr TELFER:** It is very useful for you, maybe not for the committee.

**The Hon. N.D. CHAMPION:** No, it is not an attempt to evade it. I would welcome the question in planning.

**Mr TELFER:** Has Renewal SA been involved with any negotiations with that potential development proposal?

**The Hon. N.D. CHAMPION:** I can only speak for the time I have been the minister. There is a picture pre-March, and I think there was a broad approach pre-March where Renewal SA and the other agencies that were interested in this area were working, but there has been nothing since March that has changed on that.

**Mr TELFER:** I was asking about Renewal SA's involvement, not just you as minister.

**The Hon. N.D. CHAMPION:** No, but I am talking about Renewal SA as well. Basically, there was an approach pre-March and there was a bit of activity—we can get into this in planning—but my understanding is that that stopped, and since then there has been, if you like, no change, other than it had gone up.

**Mr TELFER:** So there are no ongoing negotiations that Renewal SA are involved in when it comes to the potential Buckland Dry Creek land development?



**The Hon. N.D. CHAMPION:** No, it is in abeyance I think I would say.

**Mr TELFER:** Are there any land swap considerations proposed between the Buckland Dry Creek proposal and land held by Renewal SA on behalf of the state or other land parcels in the area held by the state?

**The CHAIR:** To clarify your question, when you say 'land swap', what do you mean by that—between government departments or between—

**Mr TELFER:** If there are Renewal SA managed/owned land that may be considered in part of a negotiation that might happen, is that something which—

**The Hon. N.D. CHAMPION:** A negotiation with whom?

**Mr TELFER:** You are saying that planning is involved in that aspect. If planning is looking at negotiations, are conversations being had with Renewal SA as the landowner?

**The Hon. N.D. CHAMPION:** Just to be clear, are you talking about Renewal SA talking to other departments or agencies of government, or are you talking about Renewal SA talking to the private company that is out there, just so I am clear? You can ask both questions, but I—

**Mr TELFER:** I am trying to get my head around where the arrangements are between different aspects—

**The Hon. N.D. CHAMPION:** Perhaps I could answer your question. The Dry Creek salt pans basically stretch from Port Wakefield Road and the expressway. There are the salt pans—Renewal SA owns two-thirds of the salt pans, roughly 397 hectares—then there is a portion of land owned by the Department for Infrastructure and Transport, which obviously includes the expressway, the superway, and if you move further north there is an area of mangroves which is a mixed ownership of DEW and the Buckland Dry Creek company, and then there is an area next to Port Wakefield Road basically owned by the Buckland Dry Creek company. There have been no negotiations between Renewal SA and that company—is that clear?

**Mr TELFER:** Yes, I am trying to work out the delineation that you created between the activity planning is involved in, negotiations-wise.

**The Hon. N.D. CHAMPION:** Planning do not do negotiations. Planning have a distinct role, and we can get into that under the planning portfolio. Renewal SA is the landholder. Obviously, it is a complex set of arrangements, but I want to be clear with you that Renewal SA obviously has talks with other government departments about matters, and that is entirely governed by all the Treasurer's Instructions and all the normal rules that government has. Then there is a private landholder, and I want to be clear with you that there have not been any negotiations—because you used the term 'land swap', and I am not quite sure what that means—with a private landholder by Renewal SA.

**Mr TELFER:** Thank you. What are the litigation and legal actions that Renewal SA is currently involved in?

**The Hon. N.D. CHAMPION:** There is one matter that is before the courts, and it is an employment-based matter.

**Mr TELFER:** Is there an estimation or expectation of what the cost of these actions is projected to be in 2022-23?

**The Hon. N.D. CHAMPION:** It is before the courts, and I do not think it sensible to talk about those figures while it is before the courts.

**Mr TELFER:** Has Renewal SA budgeted money for litigation and legal action?

**The Hon. N.D. CHAMPION:** There is a general allocation made for litigation, and this fits under that general allocation.

**Mr TELFER:** Continuing on, I refer to Budget Paper 3, page 77. We will talk about Lot Fourteen. Has Renewal SA executed a development agreement with Quintessential Equity for the development of the Entrepreneur and Innovation Centre building at Lot Fourteen?

**The Hon. N.D. CHAMPION:** That agreement was signed in 2020.

**Mr TELFER:** The development agreement?

**The Hon. N.D. CHAMPION:** Yes.

**Mr TELFER:** What support is Renewal SA providing, on behalf of the state government, to Quintessential Equity to help facilitate them to achieve the precommitment level to commence construction?

**The Hon. N.D. CHAMPION:** We are the landlord; that is our relationship as part of the DA. As I understand it, that particular proposal is looking for some commonwealth tenants. It might be of benefit to the state to have commonwealth leases or tenants. So that is there as well, but basically Renewal SA is their landlord.

**Mr TELFER:** Is there no other support or involvement?

**The Hon. N.D. CHAMPION:** Like any good landlord, we are an advocate for them.

**Mr TELFER:** Is that advocacy proactive?

**The Hon. N.D. CHAMPION:** It certainly is.

**Mr TELFER:** Can you give some examples of how Renewal SA is proactively supporting Quintessential Equity?

**The Hon. N.D. CHAMPION:** They are meeting with them monthly, and they are certainly assisting them with getting some tenants, like any good landlord would.

**Mr TELFER:** What is the construction timetable for the development of the Quintessential Equity development?

**The Hon. N.D. CHAMPION:** I note that Renewal SA is under instruction from DPC, so this all goes through the Premier. It is anticipated that if the pre-lease arrangements can be met, construction would begin in 2023 and be completed by 2025.

**Mr TELFER:** So 2023 to 2025; there are a lot of projects in that range. Certainly, it is going to be a busy time for Renewal SA. After 2025, will there be an expectation that tenants can occupy the development?

**The Hon. N.D. CHAMPION:** Yes.

**Mr TELFER:** Has there been any additional direction from the minister to Renewal SA in relation to this development?

**The Hon. N.D. CHAMPION:** This is run by DPC. The same governance arrangements that existed under the previous government exist under this arrangement. DPC are the project lead and Renewal SA operates under instructions from them.

**Mr TELFER:** What is the current residential land supply in the metropolitan area of Adelaide, and what proportion of land is held by Renewal SA?

**The Hon. N.D. CHAMPION:** The first part of that question is a question for planning because they do land supply. I would have to check with Renewal SA. I might take that on notice for you.

**Mr TELFER:** It would be interesting to know. So you also would not know how many potential residential land allotments Renewal SA would estimate that it holds?

**The Hon. N.D. CHAMPION:** Generally on this, land supply is an interesting topic for Adelaide. I think we will be examining that in detail, probably in the next estimates but almost certainly as we do the regional plans for the 15 to 30-year process and also when we do the one for Adelaide. That is where land supply issues will come up and you will be able to get a good understanding of land supply issues.

I would say this about land supply: it is different in different places. Recently, I went down to the South-East. It is a very tight housing supply down there not because of land supply but because, in effect, there is a market failure down there. You cannot build a house without making a loss. The price of land is neither here nor there, it is actually being able to construct in those areas.

**Mr TELFER:** It really is around Renewal SA's role in that. I do not want to get into planning because I will take your answers away in the next hour.

**The Hon. N.D. CHAMPION:** What I am flagging is I do think there is a role for Renewal SA not just in the city but also to look at the regions, and we have been doing that.

**Mr TELFER:** We have discussed residential; what about industrial land? Is there an insight into the current industrial land supply in the metropolitan area, and what proportion of that land is held by Renewal SA?

**The Hon. N.D. CHAMPION:** We do have a significant industrial landholding, but one of the difficulties is that—dare I say it, Gillman is the obvious example of where significant work would have to be done to bring that to market. We do have significant employment lands, industrial lands, but they are at varying, different stages. It is a similar picture for residential as well. There are some residential opportunities that also need work, and Bowden is a classic example of that.

**Mr TELFER:** Do we have an estimate as to how many potential industrial land allotments Renewal SA holds?

**The Hon. N.D. CHAMPION:** It is a complex picture, and we might provide some information to you on notice. There is industrial land that is ready for market, industrial land that is ready for market but might be allocated for defence projects and then there is potential industrial land that has to be remediated or developed.

**Mr TELFER:** I certainly would appreciate that being taken on notice.

**The Hon. N.D. CHAMPION:** Sure.

**The CHAIR:** Last question.

**Mr TELFER:** I have a block of about 25 with five in each.

**The Hon. N.D. CHAMPION:** Do you want to read them in?

**Mr TELFER:** We could. I was very keen to make sure we had an understanding of what role you see Renewal SA playing in that land supply, both residential and industrial, because as you have well highlighted, the issues—

**The CHAIR:** Maybe you could use another forum to canvass some of those questions because the time has expired. I declare the examination of the portfolio of Renewal SA completed. The examination of the proposed payments for Administered Items for the Department of Treasury and Finance are referred to Estimates Committee A for further consideration.

#### **DEPARTMENT FOR TRADE AND INVESTMENT, \$106,640,00**

#### **ADMINISTERED ITEMS FOR THE DEPARTMENT FOR TRADE AND INVESTMENT, \$951,000**

##### **Membership:**

Mr McBride substituted for Mr Tarzia.

Ms Hutchesson substituted for Mr Odenwalder.

##### **Minister:**

Hon. N.D. Champion, Minister for Trade and Investment, Minister for Housing and Urban Development, Minister for Planning.

##### **Departmental Advisers:**

Mr D. Reynolds, Chief Executive, Department for Trade and Investment.

Ms K. Bartolo, Valuer-General.

Ms J. Cottnam, Registrar-General.

Ms S. Smith, Executive Director, Planning and Land Use Services, Attorney-General's Department.

Mr R. Kleeman, Manager, Crown and Impact Assessment, Attorney-General's Department.

Mr B. Steiner, Manager, Strategic Planning, Attorney-General's Department.

Mr B. McCormack, Acting Director, Office for Design and Architecture South Australia.

Ms R. Phillips, Principal Adviser, Open Space Team, Office for Design and Architecture South Australia.

**The CHAIR:** The portfolio is Planning and Land Use Services. The minister appearing is the Minister for Planning. I advise that the proposed payments remain open for examination. I call on the minister to make a statement, if the minister so wishes, and to introduce advisers. I call on the lead speaker for the opposition to make a statement, if she so wishes. I call on members for questions.

**The Hon. N.D. CHAMPION:** I will begin with introductions. On my right is David Reynolds, Chief Executive of the Department for Trade and Investment. On my left is Sally Smith, Executive Director of Planning and Land Use Services, and to her left is Katherine Bartolo, Valuer-General. Behind me, I have Robert Kleeman, Manager, Crown and Impact Assessment, and to his right Brett Steiner, Manager of Strategic Planning.

In the third row is Jenny Cottnam, Registrar-General. To her right is Brad McCormack, Acting Director, Office for Design and Architecture. Behind him is Rachel Phillips, Principal Adviser, Open Space Team for the Office for Design and Architecture. In the gallery, we have Rebecca Lang, Manager of Finance, Procurement and Facilities, Department for Trade and Investment, and Mr Michael Robertson, Chief Executive of the Adelaide Cemeteries Authority.

I think that is everyone. I would just like to thank the department. Planning is enormously important and very highly contested in the public area, and I would like to thank all the public servants who serve the state so well in their role, particularly David and Sally for all of their help over the last three months. We will proceed to questions.

**Ms PRATT:** Mr Chair, noting that we started at 11.49, perhaps you will indulge a couple of questions beyond the declared finishing time.

**The CHAIR:** Of course, we will give you that opportunity.

**Ms PRATT:** I am happy to go straight to questions with the minister, thank you. I refer to Budget Paper 4, Volume 4, page 122.

**The Hon. N.D. CHAMPION:** Just to begin, do we have any questions for the Valuer-General. I noticed the member for Colton did have some questions. Do you want maybe go straight to those and then we can let the Valuer-General get back to work? I do not mean to interrupt.

**Ms PRATT:** On indulgence, it is a very quick question and I can do that.

**The Hon. N.D. CHAMPION:** Thank you very much.

**Ms PRATT:** Thank you for the opportunity. I refer to Budget Paper 4, Volume 4, page 126, Office of the Registrar-General. Can the minister provide an explanation for the significant increases in FTEs in that office for the year 2022-23?

**Mr TELFER:** He asked about the Valuer-General.

**Ms PRATT:** I am sorry.

**Mr TELFER:** Too many generals.

**Ms PRATT:** There are a lot of generals, yes.

**The Hon. N.D. CHAMPION:** Yes, there are a lot of generals. I call them the generals, too. We might take that one on notice, if you like.

**Ms PRATT:** Yes. The answer is still the same. I can accommodate the Valuer-General if you will allow me to reverse the order of my questions, although that office is important. I would then refer to Budget Paper 4, Volume 4, page 123, targets, the first dot point. Can the minister provide some more information on the process, policy and digitisation reform initiatives identified as a target for the Office of the Valuer-General?

**The Hon. N.D. CHAMPION:** I am happy for the Valuer-General to respond. I did get a briefing on it but—

**Ms BARTOLO:** We are currently in the process of fine-tuning our service to the community, primarily through the form of digitising a lot of our processes which have not had the opportunity to be done so prior to commercialisation and following it as a part of the transition plan. It is part of my strategic plan starting this year to be able to improve that and make it a more consistent and robust process with greater transparency.

**Ms PRATT:** Thank you. Following on, minister, the second target on that page is identified to improve contractual and compliance management of the service provider. Can the minister explain what concerns the Valuer-General has regarding Land Services SA and the current contractual and compliance management? What specific improvements are there to be made?

**The Hon. N.D. CHAMPION:** I think we will let the Valuer-General answer that directly.

**Ms BARTOLO:** Following commercialisation there was a transition period for the service provider to grow into their new role as a service provider. It was a generational change. At the conclusion of that transition period the service levels under which they operate were to be confirmed or reviewed as required. Part of that process also then enabled other elements of the contract around how we measure and document that going into the future once those service levels were confirmed or identified.

**Ms PRATT:** The final target identified on page 123 relates to the support the Valuer-General will be providing to six regional councils that will transition from site value ratings to capital. Can the minister advise which six councils that relates to and what support will be provided to these councils?

**The Hon. N.D. CHAMPION:** We will get you the answer in relation to the six councils on notice, but basically it is interaction between the Valuer-General and those six councils about all of those valuation issues that were coming up. They have made that offer and that process is ongoing.

**Mr TELFER:** I actually know the six councils, so I might just unpack this a little bit.

**Ms BARTOLO:** My memory is not as good as yours.

**Mr TELFER:** Yes, they are all from my patch. Can I get an insight into what you think are the actual logistical steps you are going to put in? It is a very general question that I am asking of the minister, but are there any specifics that you see are going to be necessary from the Valuer-General in particular, and whether there is going to be an issue with that sort of process?

**The Hon. N.D. CHAMPION:** I might take that on notice and get you a complete answer.

**Ms PRATT:** Minister, referring you back to Volume 4, page 122—and thank you to the Valuer-General for her time—Planning and Land Use Services: can the minister explain the reduction in the net cost of services for PLUS in 2022-23, where this financial year was \$12,746,000 and the incoming financial year is \$10,263,000?

**The Hon. N.D. CHAMPION:** The expenditure is the same; the income has changed. The income change is mainly around code amendment fees.

**Ms PRATT:** Code amendment fees?

**The Hon. N.D. CHAMPION:** That is right. So applicants who make code amendments pay fees to PLUS, and that is a broadly based cost-recovery exercise. I can give you the actual fees if you like; would that suit you?

**Ms PRATT:** Yes; it would suit.

**The Hon. N.D. CHAMPION:** The fee structure in the act, which was put in place on 25 November 2021, is:

- lodgement \$5,500, which is basically charged on a submission of the proposal to initiate;
- consultation \$8,700, which is charged prior to a code amendment going out to public consultation;
- determination \$8,400, to be charged once a final code amendment is lodged for assessment; and
- implementation \$9,800, which is only payable if the code amendment is approved, and discharged prior to implementation.

That makes for a total of \$32,400.

**Ms PRATT:** Minister, I may have this wrong but if they are not savings targets that reduction from 12 to 10 is not a saving, what services or positions will be cut to achieve the savings, or are you expecting fewer fees?

**The Hon. N.D. CHAMPION:** If you look at 2021-22 on that page, and 2022-23, you will see that in total expenses there is basically no difference. The difference here has been more income coming in. There is a savings target for PLUS, but that is not reflective of that total.

**Ms PRATT:** Can you expand on what that savings target is?

**The Hon. N.D. CHAMPION:** That is still being finalised, because there was a machinery of government change where PLUS came over from Attorney-General's into the Department for Trade and Investment.

**Ms PRATT:** When might we expect that information?

**The Hon. N.D. CHAMPION:** By the Mid-Year Budget Review.

**Mr TELFER:** Can we get any insight into the expectations of planning as to what level of code amendment process they are expecting? Are they expecting an increase or decrease, or consistent? This has been something this place and the Legislative Review Committee have been considering, as to the level of fees. I am just trying to get some insight into what the expectations or projections are.

**The Hon. N.D. CHAMPION:** I am advised we expect about two to three a month; that is kind of the expectation. So far, for 2021-22 (because that is the year in which these processes were fully live) there were 11 code amendments adopted and 58 code amendments initiated or lodged. Four of those were commission-led, six state agency-led, 15 council-led, 33 privately-led, and three of those were declined.

The state-led code amendments, which are very important are: bushfire, flooding, the Miscellaneous Technical Enhancement Code Amendment, and Future Living and Hackham (Hackham was important for the land supply question, particularly in the south). State-led code amendments that have been adopted are Port Bonython, the Riverbank Precinct and the Mount Compass Golf Course Estate. Most of that would have either been initiated or occurred under the previous government.

Code amendments are an important feature of the new planning system, and the fees associated with them—which there has been interest in and which we have had discussions about—are an important cost recovery. It is not charged to councils if there is community benefit, but for private entities seeking code amendments there is often significant benefit. As a result, we should properly have cost recovery on these fees, as was set out by the previous government under these arrangements.

**Mr TELFER:** Is this a number you could project as a department or it is really reactive to what circumstances are happening? Would you expect another 33 private or thereabouts? Is this a consistent number?

**The Hon. N.D. CHAMPION:** There is a bit of a build-up I think, a bit of a dam effect if you like, of private ones and that might abate or plateau over time, but against that the council ones might accelerate perhaps after local government elections; it is possible there. I also think I should put this on record that perhaps there was a reluctance on councils previously, for some reason. I am happy to entertain councils making code amendments if they think there is a community benefit there, so it might be a bit of mix-and-match.

**Ms PRATT:** Minister, you mentioned just before about fees, so referring you to page 122, fees, fines and penalties, where the government has budgeted \$16.6 million from the receipt of those fees, fines and penalties in the 2022-23 financial year. Can the minister advise of the annual contributions councils are estimated to make into the ePlanning system in 2022-23 and subsequent years across the four-year forward estimates period?

**The Hon. N.D. CHAMPION:** We expect to, all up, collect about \$1 million from councils, but for individual councils that will be determined by activity, so there is a lodgement fee paid by the applicant, and then depending on a scale the council may have to pay something or not depending on the number of DAs, the volume of DAs in their neck of the woods. It is a bit of a moving feast for councils, but it is anticipated that they will pay a reasonable amount for the eLodgment scheme.

**Ms PRATT:** Following on then, can you also provide details about how those contributions—\$1 million per council by activity—how will those contributions be expended by the government?

**The Hon. N.D. CHAMPION:** There were about 300 enhancements of the system last year, so that takes a portion of the cost. There is an admirable application of constant improvement, which is based around feedback—not just from councils, but from the community—about ePlanning, and I think we are one of the few jurisdictions which has a single planning system and a single ePlanning portal. It was a mighty achievement I think by PLUS to achieve. Clearly, it is still a work in progress because we get plenty of feedback about it.

The second bit of the expenditure is in cybersecurity and stability. We live in a dangerous world, particularly in relation to cyber. I think governments of all persuasions are going to have to be mindful that there are a lot of bad actors and bad players—some of them sponsored by states—in the world, so that is a significant cause. And then there are software licences, system support and the service desk.

**Ms PRATT:** Same page, 122, total expenses: the preparation of new regional plans, including a new plan for Greater Adelaide is listed as a program target for 2022-23 on page 121 of the budget papers. Of the \$30.9 million budgeted for Planning and Land Use Services expenses, how much will be allocated to the State Planning Commission for the preparation of regional plans?

**The Hon. N.D. CHAMPION:** Because some money is being allocated out of the P&D Fund to get regional councils going because, as both members would be aware, there really are some very difficult regional housing issues around, and I suspect that occurs in areas where there are very high employment numbers and a great deal of demand for employees but there is not the regional housing. A whole lot of issues go around helping those regional plans; some of that money is coming out of the P&D Fund and some of it is coming out of PLUS, and we might take it on notice because there are some workforce allocations coming out of PLUS.

**Ms PRATT:** I would welcome that, given the question was on a breakdown of how much would be allocated.

**Mr TELFER:** If you could include the P&D Fund as well, if you could take that on notice.

**The Hon. N.D. CHAMPION:** Sure.

**Ms PRATT:** Will any of these funds be provided to councils to support them in developing their growth strategies or other investigations to support the regional plans?

**The Hon. N.D. CHAMPION:** It is complex. Apparently, there are joint planning boards, which the councils themselves can enter into, but none of them have opted to do so, so that then falls to the commission. Obviously, there will be a high interaction between both the councils and, I would imagine, RDAs and other interested parties out in the country.

**Ms PRATT:** I think we are building to that. Is it the minister's intention that the regional plans will be finalised within the required statutory time frame of 19 March 2023?

**The Hon. N.D. CHAMPION:** This is a very important process, significant public money is allocated to it and we want to get it right. Part of that is listening to regional communities and communities in South Australia, so it is highly unlikely. We will not be meeting that statutory requirement. It is important for us to flag that now, but I think that is in the public interest. Had we not had an election this year, new minister, and a whole range of other things, you might have been perhaps more demanding, but it is in the state's interest and particularly in the regions' interest. We will start with the regions and then move on to shift resources in the new year to the urban task.

**Ms PRATT:** Is the commission's failure to meet the statutory deadline a direct result of the government's failure to adequately resource the Planning and Land Use Services in the budget?

**The Hon. N.D. CHAMPION:** This is a 30-year plan and everybody knew it was coming up. I guess if you were to be uncharitable, you could make that attack, and if I was to be uncharitable I could say, 'Well, the previous government made no allocation for it either.' We can take that pot shot at each other and then we can move on to the practicality of it, which is that this is a very important opportunity for your communities. My federal seat overlapped your electorate. Congratulations on your election, by the way.

**Ms PRATT:** Thank you, minister.

**The Hon. N.D. CHAMPION:** I was very happy to see you at Kapunda High, and I hope that you are very interested in planning and my old hometown. There is a real opportunity for country, and I want the opposition to see it as that. I would prefer not to play partisan games.

**Ms PRATT:** I think that Adelaide's local paper will reflect my passion and commitment to that high school. However, we were talking about regional planning, and as a regional member I will move on. Can the minister advise how many joint regional planning boards have been established to develop and complete the regional plans? I think you noted that previously no councils had opted in.

**The Hon. N.D. CHAMPION:** Yes, zero have opted in because the councils have not done it. I am confident that the State Planning Commission are going to do this role. As you point out, there is a statutory obligation. It is important that we get moving but that we do it properly and that we give it time to be done properly. If the councils had come together and formed a joint planning board we would have accommodated them.

**Mr TELFER:** Is there an insight from the department that they have given to you, minister, on why there have been no joint planning boards formed across the state?

**The Hon. N.D. CHAMPION:** I have not received a briefing yet but I just got one then. It seems as if the councils felt that the formation of the joint boards might add a layer of complexity to the process that did not add much. What they are perhaps now anticipating is to let the commission undertake the process, go through the process and then form the joint planning boards in the wake of the process to implement the recommendations. So, rather than form the boards to do the process up-front, they will form them in the wake of the commission's report to do the administration and the task of implementing them. I actually think that is very important.

If you read both the iterations of the 30-year plan and the 2017 update—which I did, on strong advice—in retrospect you realise that these plans are forward looking, future looking, and that we are not going to get every projection right. But the implementation task coming out of them is always significant.

**Mr TELFER:** Is there a commitment from the department on a formalised consultation process with local communities and local councils? This is where the failing has been: there has been a disassociation between the state plan, or the different regions' iterations of the state plan, and what locals are actually asking for on the ground.

**The Hon. N.D. CHAMPION:** The commission sought some advice about engagement strategies. You will be happy to know that their intent is to take a bespoke approach, after some interactions with local communities. They have thought very carefully, by the sounds of it, about



engagement with local communities, which is critical, as we know, and they are going to tailor it for the regions.

**Ms PRATT:** Supplementary: can you or the agency provide a list of stakeholders who would be invited to participate in the process?

**The Hon. N.D. CHAMPION:** I would be happy to.

**Mr TELFER:** Can I ask about some aspects of that, and you can learn as you go along.

**The Hon. N.D. CHAMPION:** Thank you, former mayor; I get an education from you every time we meet.

**Mr TELFER:** Has there been any consideration of simplifying a potential process so that the issues we have come up against with the reticence of councils to be involved in a joint planning board can be rectified in future iterations of regional plans?

**The Hon. N.D. CHAMPION:** I would be very happy to receive any feedback from councils or from yourself about how we might streamline processes. I have an open mind about considering such things. I am reminded that we will also have the expert panel soon, which will be able to take advice about that. I know the expert panel on planning, on the legislation and the code, is of interest to members on my left. There are certainly many strong advocates about planning concerns in their electorates. It is a chance for regional communities, country people, to have their say too.

**Mr TELFER:** I think that is important, especially for regional communities. They are not as caught up about street trees and the like, they are talking about strategic aspects. Is there a commitment within that engagement strategy, a bespoke one, to ensure that there are changes that flow from the local perspective being sought and it is not just a planning-driven process that gets a consultation on paper but no real change from it? That has always been the issue that we have seen with these plans.

**The Hon. N.D. CHAMPION:** I understand what the member says about consultation because that is an issue in communities that I have represented over the years as well. I think people can be cynical about consultation, but in this instance the plan will be on the e-portal, so it will be immediately available. This is one of the big advantages of the digital world. As opposed to a book that sits on your shelf, it will be immediately available. The other thing is the code allows us to make pretty quick changes, if we choose to, out of that consultation.

If local communities are of a view to do X, Y or Z and there is a good reason to do X, Y or Z, we will be in a position where we can respond to that quickly. I have noticed, with the enhancements to the e-portal itself—and I am sure you experienced this as mayor—if something comes out of consultation and it gets done, then communities just bank that. It is when there is a difference of opinion or something that does not get done that it tends to be a bit more tricky, but I think the processes should be better.

**Mr TELFER:** 'Should'—I like it.

**Ms PRATT:** Minister, I am sure all members will be interested in learning more about the planning implementation review. Referring you to page 121, the first dot point and the expert panel, can the minister provide information regarding the scope and timing of the planning implementation review?

**The Hon. N.D. CHAMPION:** Of course, this is an election commitment, and we are very keen to implement it. Basically, it will look into the Planning, Development and Infrastructure Act, the Planning and Design Code and related instruments. That relates to infill policy, trees, character, heritage and car parking, the ePlanning system to ensure that there are both efficient and user-friendly processes and its platform and the PlanSA portal, basically to check that it is usable, which is always a task in and of itself.

The panel will consist of four members for a period of six months. We are aiming for gender balance, and we are going to look for collective expertise in planning, obviously: statutory planning, development assessment, planning policy, strategic planning, urban design or architecture, local government, public administration, and/or information technology systems and customer service

systems. Obviously, I will be in a position to provide the parliament with details once that is all set up. I hope it will be a welcome announcement and the community will get great value out of it.

**Ms PRATT:** In that process, did you address the timing of the commencement or implementation of the review actually—

**The Hon. N.D. CHAMPION:** Post the review reporting?

**Ms PRATT:** Post the review reporting, thank you, yes.

**The Hon. N.D. CHAMPION:** I would be reluctant to give you a time line, but I might observe that one of the difficulties with planning is I get a lot of people in the community giving me feedback about the code. In actual fact, PLUS inform me that 55 houses have been constructed under the new code, so a lot of the complaints in the community are about the previous iterations of the act and the regulations.

By necessity, planning is a thing you do and then it has effect some way down the track. We want to be sensible about the implementation. There are obviously a range of community issues that are felt very strongly. There are private property rights, which we have to have high regard for. There might be code changes or regulatory changes which would take some time, but we hope that this implementation review, this expert panel, will be able to give us a basis of, if you like, planing off the rough edges, helping to have a high degree of community consent and buy in. Hopefully, it will set the basis for planning in the future. But I want to do the process properly, and unfortunately time is a factor in that.

**Ms PRATT:** You have referenced for members gender and, I think, experience. In regard to the expert panel, which is future facing, no-one has been appointed yet?

**The Hon. N.D. CHAMPION:** No.

**Ms PRATT:** Who might be under consideration for the appointment to the expert panel and what would their terms of appointment be?

**The Hon. N.D. CHAMPION:** I have already talked a bit about the areas we want to draw people from and I have broadly talked about what, I suppose, the community engagement is. We think there will be six to 10 formal meetings and about four to six events or activities as part of that. That is sort of a framework of the review. I obviously do not want to pre-empt my announcement. I think this will be welcome news in the community.

**Mr TELFER:** When can we expect an announcement to be made on the panel membership being finalised?

**The Hon. N.D. CHAMPION:** I will send you a text when it is in the paper—no, when I have made an announcement. You would understand that I want to set this up correctly and I want to make an appropriate announcement and then I want the expert panel to do its work.

**Mr TELFER:** So within weeks, within months, within years?

**The Hon. N.D. CHAMPION:** It will not be years.

**Mr TELFER:** Within weeks?

**The Hon. N.D. CHAMPION:** You will have to wait and find out. I will say this: it is an election commitment and it is a priority for this government.

**Mr TELFER:** Are there going to be paid positions on the panel?

**The Hon. N.D. CHAMPION:** Yes. You would understand that it is sensible, if you want to get properly qualified people, that you would remunerate them appropriately for their time.

**Mr TELFER:** Can you give us what those remuneration amounts are going to be per person, and the chair?

**The Hon. N.D. CHAMPION:** It is anticipated that the total cost of the panel will be about \$340,000.

**Mr TELFER:** Of that \$340,000, how much are you expecting to be for payments to committee members?

**The Hon. N.D. CHAMPION:** We think the member fees will broadly be like this: \$42,000 for four members to do six to 10 formal meetings and \$25,000 for them to do four to six events. The remuneration is tied to their activity.

**Mr TELFER:** Is there going to be a chair of the panel?

**The Hon. N.D. CHAMPION:** There will be a chair.

**Mr TELFER:** Will the chair be getting higher remuneration?

**The Hon. N.D. CHAMPION:** No.

**Mr TELFER:** It will be equalised.

**Ms PRATT:** Will the committee be invited to participate in this review? If so, how might they be able to do that and when will this consultation—we talked about timing, but let's talk about community involvement.

**The Hon. N.D. CHAMPION:** As I said, there will be six to 10 formal meetings and then four to six events. Those events will be, obviously, an opportunity for the community to engage in that process. These days, if people cannot make meetings obviously they can avail themselves of submissions and the like, and there will be some resourcing from PLUS to facilitate that.

**Ms PRATT:** Will the Environment, Resources and Development Committee play any role in either the review itself or in assessing the findings of the review?

**The Hon. N.D. CHAMPION:** I might just clarify if the chair is paid more, because there is slightly conflicting advice. I might take that one on notice. What was the question?

**Ms PRATT:** If you would take on notice in full, because I understand there is a precedent—

**The Hon. N.D. CHAMPION:** Yes, whether it was going to the committee.

**Ms PRATT:** —for the committee playing that role.

**The Hon. N.D. CHAMPION:** Let me take that on notice. I will consider that.

**Mr TELFER:** Can I then just get clarification on the expectations of the funds to the committee? The \$42,000 was for the whole committee to have six to 10 formal meetings?

**The Hon. N.D. CHAMPION:** Yes.

**Mr TELFER:** The \$42,000 as a whole, \$42,000 across four different individuals?

**The Hon. N.D. CHAMPION:** Yes, that is the advice I have. But let me take that on notice and provide it to you. These are indicative figures, so let me take that on notice. I would not like to give you the wrong information.

**Ms PRATT:** Moving to Planning and Development Fund grants and subsidies, Volume 4, page 137, can the minister advise when the next round of the Open Space Grant Program, funded from the Planning and Development Fund, will open?

**The Hon. N.D. CHAMPION:** In 2022-23, we are going to fulfil the government's election commitment around pocket parks, and in 2023-24 the Open Space Grant Program will recommence.

**Mr TELFER:** For clarification on that, the first financial year's will be all going towards the pocket park commitment?

**The Hon. N.D. CHAMPION:** In 2022-23, there will be a range of election commitments fulfilled, including pocket parks. Not the full amount will be allocated to pocket parks, but we will be fulfilling that election commitment, along with a range of others. The expert panel and the regional plans are all funded out of 2022-23 as well.

**Mr TELFER:** For clarification, will the likes of the Places for People grant, which normally gets funded out of this fund, be non-existent in this financial year?

**The Hon. N.D. CHAMPION:** Yes. It will be 2023-24.

**Mr TELFER:** Can you give me the total dollar figure of what will be allocated in 2022-23?

**The Hon. N.D. CHAMPION:** I will take that on notice.

**Ms PRATT:** On the same budget line, does the minister intend to maintain the independent assessment process for the allocation of open space grants established by the previous Minister for Planning and Local Government?

**The Hon. N.D. CHAMPION:** I must confess, I had not turned my mind to changing the arrangements and I have not been briefed about changing the arrangements, so I expect that they would continue.

**Ms PRATT:** Continue with an independent assessment process?

**The Hon. N.D. CHAMPION:** I think it is the Office for Design and Architecture, which is with us today, the acting director—who I have had one or two meetings with, I think—but no-one has put any proposal to change it. I have not considered or turned my mind to changing it. It sounds like a sensible process on the face of it.

**Mr TELFER:** Can the minister inform the committee which of the incoming Labor government's election commitments are going to be funded out of the open space funding?

**The Hon. N.D. CHAMPION:** I can give you some examples if you like.

**Mr TELFER:** I would like all of them.

**The Hon. N.D. CHAMPION:** But it is a long list, and to be fair they are not all in the next year.

**Mr TELFER:** You are never too reticent to talk about your election commitments, so I am happy to go through a long list, or you can table it for the committee, if you would rather.

**The Hon. N.D. CHAMPION:** I would not table it, but I might take it on notice and provide it to you then.

**Mr TELFER:** Provide that information of all the election commitments that are funded through the open space funding.

**The Hon. N.D. CHAMPION:** Well, through the P&D Fund.

**Ms PRATT:** On page 137 of Volume 4, of the \$28.2 million budgeted to be received in revenue through the Planning and Development Fund, how much will be allocated to the purchase of land to be used for much-needed open space projects?

**The Hon. N.D. CHAMPION:** I might take that on notice. There were a range of election commitments and projects that would cover this. I do not believe anybody has done analysis on it yet, so we might get some information for you.

**Ms PRATT:** Can you provide the forecast revenues into the Planning and Development Fund over the forward estimates?

**The Hon. N.D. CHAMPION:** It does not change markedly year from year; it is always around the \$28 million mark—so slightly higher, slightly lower. That was the same under the previous government and I do not anticipate it will change.

**Ms PRATT:** Looking at that line, can the minister provide an explanation and identify the purpose of, and to whom, the intra-government transfers from the Planning and Development Fund totalling \$12,944,000 will be made for the financial year of 2022-23?

**Ms STINSON:** Do you know what page it was?

**Ms PRATT:** Yes, we are still on page 137, Volume 4, statement of cash flows.

**Ms STINSON:** Thank you very much.

**The Hon. N.D. CHAMPION:** This has happened across governments and it is payments to, for instance, DEW to look after land that I, as planning minister, own. I think there is a bit of Gawler and there are some other areas which I do not think it is problematic for us to provide you with. It happened under the previous ministers as well. It is just money that is given to government departments out of the P&D Fund to maintain areas that are owned by the state to make sure they do not get out of hand, that they are fit for purpose and the like.

**Ms PRATT:** Are you saying you will take that on notice?

**The Hon. N.D. CHAMPION:** I could give you the full list of areas, the land that gets used.

**Mr TELFER:** It would be useful to quantify the cost, really.

**The Hon. N.D. CHAMPION:** I should also point out that there are a few payments that relate to election commitments, things like the McGilp oval at One Tree Hill, for instance. I think that might have had bipartisan support, actually. I would be a bit surprised if that one did not have bipartisan support. I know One Tree Hill fairly well, having represented it as a federal member. I remember going up there as a federal member and I think both the former and current members for King supported that upgrade, which was done through the Playford council. There are some payments that are entirely routine to government departments about the administration of government land, and then there are some election commitments too.

**Mr TELFER:** Can we get a breakdown of that \$12.9 million intra-government, between the two—

**The Hon. N.D. CHAMPION:** I said I would take that on notice.

**Mr TELFER:** Yes, as well as that other aspect. It is obviously a pretty broad budget line.

**The Hon. N.D. CHAMPION:** Yes, fair enough.

**Ms PRATT:** Can we just clarify what is being taken on notice? The breakdown of the costs and the listing of where those intra-government transfers are going?

**The Hon. N.D. CHAMPION:** Yes. I am happy to provide as comprehensive an answer as is sensible.

**Ms PRATT:** We appreciate that. Through the Open Space Grant Program, councils are required to make rigorous applications to obtain matched funding for their open space projects. When the funds are transferred within the state government, who is responsible for ensuring they are used for purposes consistent with the principles of planning and development?

**The Hon. N.D. CHAMPION:** I am still the approver. Advice comes to me from the department, and then there is a Memorandum of Administrative Arrangement (MoAA) between the department and council to make sure they acquit it properly and in accordance with the act.

**Mr TELFER:** Are you saying it is the minister and the minister only who makes the decisions about whether the projects proposed for funding under the Planning and Development Fund are appropriate for those principles?

**The Hon. N.D. CHAMPION:** Yes, but under advice from the department. I might add that the department has done quite a bit of work on this over the years.

**Mr TELFER:** It is the first time I have heard of election commitments directly funded out of this fund, so that is interesting.

**The Hon. N.D. CHAMPION:** You might say that, but the department has done a lot of work on what fits into this fund and what does not, and they provided me with advice about that.

**Mr TELFER:** Is there an ongoing expectation of the formula or a proportion of other contribution? I know that with this fund, in particular, there was previous scope to do 5:1, 4:1, 3:1, but in recent years it really has been a fifty-fifty fund that has gone to projects.

**The Hon. N.D. CHAMPION:** Sorry, can you repeat the question for me?

**Mr TELFER:** With previous allocations of funding, say five years ago, a smaller proportion was expected of applicants, say 20 per cent or 30 per cent, whereas in recent years, because of the competitive nature of the fund and the shortfall in it, there has been an expectation that it has been more of a fifty-fifty process.

**The Hon. N.D. CHAMPION:** I cannot speak to matters that came into place before I was minister. It is fair to say that councils are competitive. They are competitive for all government funding, and maybe some of the federal processes have enhanced that too, because I would imagine nearly every council now has a list of assets they want to upgrade.

**Mr TELFER:** It says P&D Fund in particular.

**The Hon. N.D. CHAMPION:** No, I am just saying that that activity—I have noticed from dealings with my own council that they are pretty sharp on it now, so that might be driving the application process. It might also be that the previous government, for instance, used this fund to pay for the implementation of the planning system. Again, I think, a sensible thing to do, but one that should be noted.

**Ms PRATT:** Let's move on to Budget Paper 4, Volume 4, page 114. It is ministerial responsibilities. Regarding the West Beach Trust, minister, how many homeless people are currently being housed at the West Beach park?

**The Hon. N.D. CHAMPION:** I could either ask the Chief Executive of the West Beach Trust, who is in the gallery, or I could take it on notice. Do you want me to take it on notice? It did not come up in any of my briefings, but I could seek an answer for you on that.

**Ms PRATT:** That is fine, please take it on notice, but I will continue with a supplementary. Given the weekly rent is \$300, do you offer a concession rate for homeless people?

**The Hon. N.D. CHAMPION:** Again, I would have to take it on notice.

**Ms PRATT:** Has the Minister for Planning had any conversations with the Minister for Human Services regarding the West Beach park and referral processes for vulnerable people staying at the park, given the recent media around a homeless case who was residing at the West Beach park?

**The Hon. N.D. CHAMPION:** No, I have not.

**Ms PRATT:** I am moving us to the Port Pirie Greening Program with some budget references, either paper 3, page 106 or paper 5, part 2, page 45, relating to TLAP. The Marshall Liberal government announced the Port Pirie master plan project in late 2021. It is my understanding that PLUS is the lead agency for this project. How does the Port Pirie master plan project relate to the Greening Port Pirie program, which will be funded by the \$5.7 million for P&D Fund?

**The Hon. N.D. CHAMPION:** Apparently, the project is all about the master plan controlling the public realm and attempting to divert people to places which are less contaminated and less polluted, so the master plan gets put in place and then the funds in this get channelled into those areas of the public realm where we want people to spend time and where it is the safest for them to do so.

**Ms PRATT:** I have two questions on this line and I am finished, Mr Chair. How much funding is the district council of Port Pirie contributing to the project, and how has the funding of this project impacted on the funding amount available for all councils in the 2022-23 annual Open Space Grant Program?

**The Hon. N.D. CHAMPION:** I might take that on notice, but I would say that—

**Ms PRATT:** You are not in a position to provide any insight?

**The Hon. N.D. CHAMPION:** —lead in Port Pirie is a very serious issue, and it should be a priority of the government, and it is. If people say, you have the wrong priorities, then I would disagree with them, but I will take it on notice and get that information for you.

**Mr TELFER:** It is probably about funding allocation rather than priorities as a subject matter.

**The CHAIR:** With that response, the time allotted has expired. I declare the examination of the portfolio of Planning and Land Use Services completed. Thank you to all the public servants who have made a contribution over the last few weeks of this process, and for your contribution in general.

*Sitting suspended from 12:49 to 13:45.*

**DEPARTMENT FOR INNOVATION AND SKILLS, \$382,416,000**  
**ADMINISTERED ITEMS FOR THE DEPARTMENT FOR INNOVATION AND SKILLS,**  
**\$13,365,000**

**Membership:**

Ms Hood substituted for Ms Hutchesson.

Hon. D.J. Spiers substituted for Ms Pratt.

**Minister:**

Hon. A. Michaels, Minister for Small and Family Business, Minister for Consumer and Business Affairs, Minister for Arts.

**Departmental Advisers:**

Mr A. Reid, Chief Executive, Department for Innovation and Skills.

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

Ms P Chau, Executive Director, Performance and Business Operations, Department for Innovation and Skills.

Mr M. Smith, Director, Financial and Business Services, Department for Innovation and Skills.

Ms C. Meador, Chief Executive, Attorney-General's Department.

Mr A. Swanson, Chief Financial Officer, Attorney-General's Department.

Ms N. Kilvert, Acting Small Business Commissioner.

Ms A. King, Manager, Business Services, Office of the Small Business Commissioner.

**The CHAIR:** Welcome to today's hearing for Estimates Committee B. I respectfully acknowledge the traditional owners of the land upon which the committee meets today and the custodians of the sacred lands of our state.

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

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

**The Hon. A. MICHAELS:** I believe so, yes.

**The CHAIR:** Changes to committee membership will be notified as they occur. Members should ensure the Chair is provided with a completed request to be discharged form. If the minister undertakes to supply information at a later date, it must be submitted to the Clerk Assistant via the answer to questions mailbox no later than Friday 2 September 2022.

I propose to allow both the minister and the lead speaker for the opposition, if they so wish, to make opening statements of up to 10 minutes. There will be a flexible approach to giving the call for asking questions. A member who is not on the committee may ask a question at the discretion of the Chair.

All questions are to be directed to the minister, not to the minister's advisers. The minister may refer questions to advisers for a response. Questions must be based on lines of expenditure in the budget papers and must be identifiable 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*. I remind members that the rules of debate in the house apply in the committee. Consistent with the rules of the house, photography by members from the chamber floor is not permitted while the committee is sitting.

Ministers and members may not table documents before the committee; however, documents can be supplied to the Chair for distribution. The incorporation of material in *Hansard* is permitted on the same basis as applies in the house; that is, that it is purely statistical and limited to one page in length.

The committee's examination will be broadcast in the same manner as sittings of the house are broadcast, through the IPTV system within Parliament House via the webstream link to the internet and the Parliament of South Australia video-on-demand broadcast system.

I will now proceed to open the following lines for examination. The portfolio is Office of the Small Business Commissioner. The minister appearing is the Minister for Small and Family Business. I declare the proposed payments open for examination. I call on the minister to make a statement, if the minister wishes, and also for the minister to introduce the advisers. I call on the Leader of the Opposition, who I assume will be the lead speaker—

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

**The CHAIR:** —to also make a statement, if he so wishes. I call on members for questions.

**The Hon. A. MICHAELS:** Thank you, Mr Chairman. With me today for the small business component of this estimates committee we have, on my left, Nerissa Kilvert, Acting Small Business Commissioner. On my right are Mr Adam Reid, Chief Executive of DIS, and Andrew Dunbar, Executive Director, Innovation and Science, DIS. Behind me, because it is a combination of departments, we have Caroline Mealor, Chief Executive of AGD; Andrew Swanson, CFO of AGD; Phuong Chau, Executive Director, Performance and Business Operations at DIS; Martin Smith, Director, Financial and Business Services, DIS; and Ashlee King, Manager, Business Services, Office of the Small Business Commissioner. Thank you all for being here today.

I do not propose to make an opening statement, other than to say that I am very pleased to be the small and family business minister and to have that focus around the cabinet table. We are looking forward to seeing some very exciting things in this space, really listening to what the small business community wants and being able to fulfil those needs as best we can.

**The Hon. D.J. SPEIRS:** I would like to make just a quick opening statement. I would like to thank the minister and, in particular, the public servants for the work that has occurred in the lead-up to today. It is an important part of the process. Having been on both sides of it, I know there is a huge volume of work, much of which will not be used today, but it still forms an important part of the rigour of analysing public expenditure. As such, it is a healthy thing.

I decided to appoint myself as the shadow minister for small and family business because, firstly, the leader can appoint who they want to where they want and, secondly and more importantly, I saw this as an incredibly important portfolio for the development of South Australia, for the level of employment that it contributes towards South Australian employment figures and for the opportunity for growth and innovation to support businesses to survive and thrive in this state.

I think the minister and I probably have very similar goals as to how we would like to see small businesses supported and created in a way that sees them becoming a major employing force in this state. They are that already, but we can always take that to the next level. It is a great pleasure to be the shadow minister for small and family business in South Australia, and I hope that together we can work on some very interesting and innovative policy measures.



I am happy to begin my questioning, Mr Chair, starting in the Agency Statements, Budget Paper 4, page 176. Does the minister feel that the 2022-23 budget does enough for small business in South Australia?

**The Hon. A. MICHAELS:** I thank the member for the question. Yes, obviously small business has had a challenge over COVID, and we are now in a post-COVID world, so there is a substantial amount of work being done as to which services and information are best provided by the state government to support small business. I am really proud about the Women in Business program. Just to be clear, that funding does not sit in the DIS budget line; it sits in AGD through the Small Business Commissioner but will be rolled out by DIS. So that is an extra \$4 million that you are not seeing on that page.

There are also a number of other policy areas I want to develop, one of which is actually to have a small business strategy that we can roll out. You have seen the start of that with the Support Small Business program that was launched on Sunday. You might have seen it on your TV and on social media. I have been having a number of conversations with different industry associations and businesses themselves.

Obviously, I have a long-term history of dealing with small business in South Australia, so being able to understand what it is that small business wants and being able to implement that within the budget I think is very achievable. Making it easier for business to deal with state government is something we can achieve. The procurement policy that we went to the election with and being able to actually increase the money that is going straight into the pockets of small business owners in South Australia, to the tune of \$425 million, is something that we are really keen to roll out. I have already met with the Industry Advocate, and I think I have a meeting with him again next week, to be able to roll that out.

Brand SA is an important part of the component of how we can support small and family businesses; in fact, a lot of our larger businesses in South Australia are still family businesses. We are looking forward to ways to be able to support them within South Australia but also interstate and overseas through programs like Brand SA.

Then we have what sorts of services we can provide small business. What I am hoping to do is be able to make improvements to what is referred to as the SA Business Information Hub, to improve those systems and processes to be able to work with industry associations to get some, I would say, basic business fundamental information out there to small business owners who might not have time to be able to enrol in a full financial literacy course or something like that. We will be able to get them some services that will be useful for them to run their businesses. Yes, I think we can do a lot with that budget.

**The Hon. D.J. SPEIRS:** I want to work through various programs that are in the budget. Sometimes I think in these estimates it can be seen that, if I ask questions about a particular program, I am critical of that program or I do not like it for some reason. I think there is a bit of stigma around these estimates, so I want to preface all these questions with the fact that, just because I am asking questions about the programs, it is about understanding them and getting a better grasp of how they are being administered, not because I have something against them. I think that is very important to clarify.

On budget measures paper 5, page 14, there is the allocation for women in small business. The government has allocated \$1 million per annum over four years for this program. My first question is: how many female-owned and operated businesses are there in South Australia?

**The Hon. A. MICHAELS:** I can tell you that is a difficult stat to get.

**The Hon. D.J. SPEIRS:** I am not trying to catch you out. It is all part of exploring the budget.

**The Hon. A. MICHAELS:** I have that struggle. I also have a struggle with getting stats on family businesses in South Australia. We can take that on notice. We only have total numbers, not female specific, but getting that data around family businesses and women-led businesses is something that is on my question list.

**The Hon. D.J. SPEIRS:** How many businesses do you expect to be assisted in this program annually?

**The Hon. A. MICHAELS:** We are working through that. I have given the department some guidance as to where I think best value is for this program. It will be run in two streams. One is at that micro startup level for women starting a business or running a microbusiness with some of the business basic fundamentals, some mentoring and networking skills, financial literacy and business planning. Some of those basic skills will be focused at that level. That obviously will have a significant number of businesses, but they are typically sole traders or very small businesses.

A second part of this program will be targeted to existing established businesses that are female-led and want to grow. There are a number of those throughout South Australia. I was at Edible Blooms on Friday with Kelly Baker Jamieson looking at where their business might go forward. There is an element of this that will be targeted to those larger female-owned businesses to help them to grow, to help them to get equity or capital invested into their businesses, advisory boards and things that might help them grow their businesses.

**The Hon. D.J. SPEIRS:** You have given a couple of focus areas. Do you expect any of those to have grants associated with them?

**The Hon. A. MICHAELS:** Grants directly to the businesses?

**The Hon. D.J. SPEIRS:** Grants to the businesses, yes.

**The Hon. A. MICHAELS:** I am waiting for that proposal to come back from the department, but what I see is that there are a number of organisations that do that work very well, various industry associations and other organisations that do that part of supporting women in business very well. I suspect what we will do is go to them and say, 'Can you run these programs for us?' I think that would be the best bang for buck, quite frankly.

**The Hon. D.J. SPEIRS:** How many full-time equivalent staff do you expect to administer the women in small business program?

**The Hon. A. MICHAELS:** We are delivering it within existing resources.

**The Hon. D.J. SPEIRS:** How many executives are responsible for that area?

**The Hon. A. MICHAELS:** We will have that in the Director of Small Business.

**The Hon. D.J. SPEIRS:** It would sit under a director?

**The Hon. A. MICHAELS:** Yes.

**The Hon. D.J. SPEIRS:** So you plan to have it sitting under the Director of Small Business?

**The Hon. A. MICHAELS:** Yes.

**The Hon. D.J. SPEIRS:** Admittedly, \$1 million over the life of the program is not a lot. Again, that is not a criticism.

**The Hon. A. MICHAELS:** Sorry, it is \$4 million over the life of the program.

**The Hon. D.J. SPEIRS:** Sorry, that is what I meant. If this program was proving successful, would you look at potentially expanding that or extending the life of it?

**The Hon. A. MICHAELS:** I hope it will be successful. Absolutely, I hope it will be successful and I hope it will be a focus for the government going forward. At the moment, we have \$4 million in the budget, and I am really proud that we have been able to give that focus to female-led business owners.

**The Hon. D.J. SPEIRS:** Moving on to another item now: Budget Measures Statement, Budget Paper 5, page 98 talks about the marketing campaign to support South Australian small business. The state government has allocated \$500,000 over two years for this campaign. What will the duration of the campaign be? Will it last for the two years or will there be focused periods of intense marketing at strategic points along the way?

**The Hon. A. MICHAELS:** I think the budget line you are referring to is sitting within DPC. I am happy to answer the question but it is, I will say, not DIS money. I expect it will be intense. We are having a five-week program run now. I expect it will be that sort of level of intensity at various points where we think we need to support small business and send the message through to South Australians to support their local-owned small and family businesses.

**The Hon. D.J. SPEIRS:** It is \$500,000 over two years, so do you expect a tranche of that now and then there will be a tranche next year?

**The Hon. A. MICHAELS:** I would say so, yes.

**The Hon. D.J. SPEIRS:** I know this sits within DPC, but I think you still have policy responsibility for it. What firm has been awarded the design and implementation of the campaign?

**The Hon. A. MICHAELS:** We will have to take that on notice. I will have to ask someone in DPC.

**The Hon. D.J. SPEIRS:** Okay, thank you. Will this campaign be subject to the GCAC rules and procedures within DPC?

**The Hon. A. MICHAELS:** I will have to clarify that with DPC. I assume so, but I will clarify.

**The Hon. D.J. SPEIRS:** Will the minister ensure that South Australian small businesses will be involved in the design of this campaign and the process to evaluate it in the future?

**The Hon. A. MICHAELS:** Our election commitment was to use South Australian advertising companies.

**The CHAIR:** If the minister is happy answering the questions that is fine, but this line is not open because it is within Premier and Cabinet. But if the minister is happy, the Chair does not have a problem.

**The Hon. A. MICHAELS:** I will get back to you with some of that detail but, yes, they will be. You will see from the ads that are going on at the moment that there are some iconic businesses being involved in it front and centre, and they are very excited about that.

**The Hon. D.J. SPEIRS:** I refer to Agency Statements, Budget Paper 4, Volume 3, page 176. One of the targets there under support services is:

Support the growth and capability of small and family businesses through a range of support services and programs, including continued case management services.

On the back of rising inflation and cost-of-living pressures, which are obviously also cost of doing business pressures, is the government ready for the possibility of a greater demand for small business to access financial support services, and does the 2022-23 budget reflect the potential for growing demand?

**The Hon. A. MICHAELS:** In terms of that sort of one-on-one case management service, we do hope to grow it within the budgets you are seeing there. The purpose is not necessarily to be giving the financial advice to support those businesses but to direct them into the right place. I think that can be done. I am hoping we do not see that increase in financial pressure. In terms of insolvencies, obviously there are some sectors that are feeling it more than others, but I am hoping that does not eventuate.

In terms of the case management, we are hoping to grow that support, but it will be pointing people in the right direction to be able to get that advice rather than having people sitting within DIS who are financial counsellors or anything like that. Mr Reid was just saying, obviously, as I said earlier, we will be partnering with organisations to provide that advice in terms of pointing them in the right direction and partnering with those organisations to be able to provide those supports.

**The Hon. D.J. SPEIRS:** Have you or the department done any research to understand better what type of support services would be needed in times of rising cost of living and rising inflation?

**The Hon. A. MICHAELS:** Research has been done within DIS of what stakeholders are telling the department they need in terms of the advice that they are looking for. I am doing round

tables and meeting with businesses and consulting with industry associations as well, to make sure we are providing the services they need. That work is being done, yes.

**The Hon. D.J. SPEIRS:** I refer to Agency Statements, Budget Paper 4, Volume 3, page 176, government procurement opportunities. One of the targets there is to ensure that small and family businesses have greater access to government procurement opportunities. What will the government be doing to encourage a greater uptake of South Australian small businesses over their interstate competitors in the forthcoming financial year?

**The Hon. A. MICHAELS:** Thank you for that question. There is a number of things that need to happen. I have said there needs to be within the department, within the agencies, a bit of a cultural shift in terms of how they deal with procurement. Some of the measurables that we would be able to implement include having the Auditor-General have a look at agency spending procurement and reporting on South Australian versus non South Australian goods and services.

Contractor invoices will be required to be paid within 15 days. Anyone who has run a small business knows that cash flow is one of the key pressure points, so that would assist them. We are intending to have a minimum of 90 per cent of labour hours on major infrastructure projects that will also lead to a flow-through in contracting and subcontracting with South Australian businesses.

I am looking with the Industry Advocate at ways in which the contracting and procurement tender process is able to be done in a way that makes it easier for small business to engage with the government. You hear that all the time. It is sometimes just too hard to even tender for something, so we are looking at ways we can make those improvements.

Other things like using local suppliers for uniforms and PPE, local architects, local designers and surveyors, and using South Australian manufactured products on public housing construction, all of those things and a range of other measures are what will make sure that we are committing more money flowing through to South Australian businesses.

**The Hon. D.J. SPEIRS:** Does the minister think there is merit in reviewing the South Australian Industry Participation Policy to promote a greater uptake of South Australian small businesses over interstate competitors?

**The Hon. A. MICHAELS:** The policy itself does not sit with me, it sits with Treasury. I will declare that I am a former member of the State Procurement Board, so I have some idea of what is in there. I am not sure it is the policy itself that is causing some of these sticking points. I think there are things we can do which will help.

**The Hon. D.J. SPEIRS:** Just for my clarity, does the Industry Participation Advocate sit with you or with Treasury?

**The Hon. A. MICHAELS:** Treasury. I just think it is important for me to have a say on how this progresses.

**The Hon. D.J. SPEIRS:** Yes, of course. That makes sense, does it not.

**Mr TELFER:** Does the minister believe, when we are talking about government procurement opportunities—I commend the move to—

**Ms HOOD:** Point of order: are you referring to the same budget paper?

**Mr TELFER:** Yes, sorry. I am continuing on that same line of questioning around the government procurement opportunities. Does the minister believe there is a need for greater protections for small businesses that are involved in complicated government processes, not necessarily direct contractors but subcontractors? We have seen situations where there have been government projects where a tier 2 contractor has become insolvent and then the flow-on effect of accountability is not there because the oversight is not direct from government. Are there greater protections that are needed to be developed by government to ensure that their major projects have more protections for small business?

**The Hon. A. MICHAELS:** I definitely think that risk allocation is something that is part of that cultural piece in terms of pushing risk out to subcontractors. I think there are some things that we can do on that. We committed at the election to set aside 1 per cent of government project funding

for subcontractors in a support fund to enable the government to pay subcontractors directly. That will help with that. I think risk allocation is actually a key piece of that, between government and contractors, and therefore subcontractors.

**Mr TELFER:** Does the minister believe there need to be greater reporting mechanisms in place through that process so there is that greater oversight from government on their projects that they sub out to tier 2 contractors?

**The Hon. A. MICHAELS:** I am not sure it is the reporting. I am sure there is lots of reporting that is required, probably to the point where it might not necessarily mean the most efficient process.

**Mr TELFER:** Accountability to the reporting then, perhaps?

**The Hon. A. MICHAELS:** Perhaps.

**Mr TELFER:** The oversight of that reporting.

**The Hon. A. MICHAELS:** Yes. I think that a lot of that information does come through. I think it is a question of risk allocation. What I would like to see, and I know what I have spoken to the Industry Advocate about, is to be able to go to small businesses and get them to collaborate. It might be that one small business on its own might not be able to tender for something, but a collaborative effort between a number of small businesses and being able to guide them to work in that new business model will actually help them do things slightly differently than what has been done before.

**The Hon. D.J. SPEIRS:** In Agency Statement, Budget Paper 4, Volume 3, page 176, the portfolio description is described as:

To support sustainable small and family business growth, providing information, services and resources to help South Australians successfully start, operate and grow their small and family business...

What strategy has the government put in place to ensure that public sector employees return to work in their CBD offices?

**The Hon. A. MICHAELS:** That might be one for the Attorney-General with industrial relations, in terms of those public sector strategies.

**The Hon. D.J. SPEIRS:** I was more thinking of it from a small business minister point of view because the fewer public servants working in the CBD has an impact on small businesses in the city. It is whether you want to provide general comment on that or not, I suppose.

**Ms HOOD:** Point of order: I would say that was more of a matter for the chief executive of the department rather than the minister.

**The Hon. D.J. SPEIRS:** No, it is a policy matter. Ministers can certainly provide their desire to see more people work from CBD offices.

**The Hon. A. MICHAELS:** Absolutely I support that, yes. I support public sector employees coming back to their offices. I think that has been stated by Ms Ranieri as well and that direction has gone out.

**The Hon. D.J. SPEIRS:** Do you know how many employees within the Department for Innovation and Skills are currently working from home?

**The Hon. A. MICHAELS:** I think that is something we can take on notice for the chief executive to come back to us.

**The Hon. D.J. SPEIRS:** Can I ask the same question for the Attorney-General's Department?

**The Hon. A. MICHAELS:** Yes, I can take that on notice as well.

**The Hon. D.J. SPEIRS:** And specifically within that, the Office for Small Business.

**The Hon. A. MICHAELS:** Small Business Commissioner and Attorney-General's? Yes. I will take that on notice.

**The Hon. D.J. SPEIRS:** Has the minister received any feedback from small businesses in the central business district regarding the state of their trading conditions?

**The Hon. A. MICHAELS:** Yes. I was at the Central Market last Friday afternoon talking to the owners of Lucia's. They are quite positive about how the market is going at the moment and return back in. I went out to do a business tour visit with Josh from Part Time Lover. He was quite positive. He has a number of businesses around the place. He is quite positive.

I think there are certain pockets, I would say, of the CBD that are still struggling, but I think the Adelaide City Council, in combination with state government, is working really hard—the member for Adelaide, of course, is sitting here—to be able to bring people back to the city.

A lot of our festivals and arts events, which I am also the minister for, bring people into the city. We have Illuminate coming, starting in July, and that will hopefully bring a significant number of people into the city, across not only North Terrace but we have seen down Rundle Road an installation going in.

There is The Lab at Light Square and I met those owners on Tuesday morning, Nick and Sophie. So there is a lot going to happen throughout the CBD through winter, leading into the Adelaide 500 and then through to the March festivals next year, which I think will be very positive for the city.

**The Hon. D.J. SPEIRS:** One policy area that could provide support for small business in the CBD is rent relief. Is the state government looking at any policy options or levers around this that might be used to support CBD businesses that are doing it tough?

**The Hon. A. MICHAELS:** I think the former government actually let that lapse through the COVID emergency measures in—I cannot remember when it was—January, maybe, in terms of that relief. The Small Business Commissioner is responsible for retail and commercial leases. There is nothing. That lapsed in the former government.

**The Hon. D.J. SPEIRS:** So that is not something you are currently looking at?

**The Hon. A. MICHAELS:** No.

**The Hon. D.J. SPEIRS:** On the same budget line—I am going to move through a few policy issues that sit under the support to small business budget line—which is Budget Paper 4, Volume 3, page 176. One of the challenges facing many small businesses in the regions is the availability of regional housing. Has the minister met with the Minister for Housing to develop strategies for small businesses in regional areas to identify solutions to alleviate regional housing shortages for workers who are in critical short supply?

**The Hon. A. MICHAELS:** I was the shadow for housing, so I worked very closely with the now Minister for Human Services to talk about some of those issues around regional housing. It is a real pressure point for them; we heard that when we went to Mount Gambier for country cabinet. It is a significant barrier to bringing people into the regions to work if they cannot find housing to live in.

However, it is really a responsibility for the housing minister, and the entire cabinet heard that message loud and clear at country cabinet and through all our regional tours. I am heading out to Port Augusta next week. I am sure there are a number of regional areas where that is an issue and a real pressure point for small business to be able to bring people in.

I can say that the department is actively engaged with that, and Mr Reid has a meeting tomorrow with the DPC to talk about that very issue.

**The Hon. D.J. SPEIRS:** A number of these do sit across other portfolios, but I think it is the nature of the small business portfolio that it is one of those sort of central policy areas that has reach across multiple parts of government. On the same budget line, I am looking at another challenge that small business faces, which is skills shortages. Can the minister advise of the specific skills shortages she is hearing businesses are experiencing in the regions, by occupation?

**The Hon. A. MICHAELS:** In the regions it is both skilled and unskilled, quite frankly. It is people—hospitality, chefs. There is a range of shortages out in the regions, as well as skilled labour.

Again, it is an issue we are well aware of. We obviously have a significant focus on skills development through the Minister for Education taking that on board. That is part of what Mr Reid currently has at the moment but it will be moving, and he informs me he still has workforce development.

Yes, it is a key issue for the regions, but what I am hearing is both skilled and unskilled, and just a general lack of people in terms of employment, and South Australia is not alone in that; it is around the country.

**The Hon. D.J. SPEIRS:** Are you or are members from your team within the Public Service involved in developing strategies with other ministers or departments to address the shortage of labour, particularly in regional South Australia?

**The Hon. A. MICHAELS:** Yes, and Mr Reid might want to speak to that.

**Mr REID:** Thank you, minister. Yes, the department is actively involved, and in part through the responsibilities that we had for the training and skills portfolio, which is moving to the Department for Education, but also under the Deputy Premier's portfolio, which still has responsibility for workforce development.

We have supported on-the-ground officers through the regional development associations in multiple regions, in which our workforce coordinators engage directly with businesses to mobilise labour into those workforces. So that is one initiative in the regions. We are working with GTOs, training providers and industry in those regions as well to ensure that there are pathways for young people, and labour, into jobs in the regions. So we are actively involved in that.

**The Hon. D.J. SPEIRS:** Under the same budget line: what specific measures has the government implemented or does it plan to implement in order to reduce red tape for small businesses in the coming budget year?

**The Hon. A. MICHAELS:** That is a question I am posing in a lot of the meetings I am having with businesses. The question I ask is, 'Come to me with three ideas for red tape reduction,' actual red tape reduction ideas, rather than saying, 'We want red tape reduction.' A number of them then get stuck with actual ideas unfortunately! But it is something that we will be consulting on more broadly. There are some ideas that are coming through Business SA, and in their pre-election pitch, so we are looking at those ideas through our consultation process over the next few months.

**The Hon. D.J. SPEIRS:** Are there any specific items or policies you can refer to as things you are actively exploring or trying to advance? Are there any specific items of red tape reduction?

**The Hon. A. MICHAELS:** For example, I mentioned earlier the way that procurement processes occur in government. I think there could be a streamlining of those for small businesses.

**The Hon. D.J. SPEIRS:** Another challenge facing small business, and family business of course, is family succession. With the ageing population, what strategies has your government or your ministry put in place or plans to put in place to deal with the complex issue of small business family succession?

**The Hon. A. MICHAELS:** You have hit on one of my favourite topics. I am an accredited family business adviser and have in the past done a significant amount of work in family business succession planning. One of the greatest problems in family businesses at that end is an unwillingness to have the difficult conversations.

From a state government perspective, I think the best thing we can do is to encourage those conversations to occur and be able to promote some of the services available, including from groups like Family Business Australia, which provides that link into accredited advisers, accountants, lawyers, etc., who can have those conversations. Psychologists as well are often involved in that conversation piece to deal with the transition between generations.

Often the children would like to have control of businesses, and I think some of the older generation do not necessarily want to let go, so there are a number of challenges in that space, and from our perspective as a state government it is really linking people into the right services to have those conversations. But I can tell you, from the coalface, that the greatest problem is the reluctance to even try to get to that step of having the conversations and engaging in appropriate advisers.

**The Hon. D.J. SPEIRS:** Has the minister any plans, or her government any plans, for reductions in stamp duty on business transfer between family members?

**The Hon. A. MICHAELS:** That is a question for the Treasurer. There is family farming; the member for MacKillop might be well aware of family farming intergenerational stamp duty exemptions, section 71CC I can tell you. Can I also add that we abolished stamp duty on business transfers, so a number of business reorganisations going to next generations are now exempt from stamp duty anyway within or outside of business, which makes it a lot easier for those conversations to occur.

**The Hon. D.J. SPEIRS:** I am going to ask the member for Flinders to read the omnibus questions and, depending on how quick he is, we might have another question at the end.

**Mr TELFER:** The omnibus questions are:

1. For each department and agency reporting to the minister, what is the total cost of machinery of government changes incurred between 22 March 2022 and 30 June 2022?
2. For each department and agency reporting to the minister, which administrative units were created, abolished or transferred to another department or agency between 22 March 2022 and 30 June 2022 and what was the cost or saving in each case?
3. For each department and agency reporting to the minister, how many executive appointments have been made since 22 March 2022 and what is the annual salary and total employment cost for each position?
4. For each department and agency reporting to the minister, how many executive positions have been abolished since 22 March 2022 and what was the annual salary and total employment cost for each position?
5. For each department and agency reporting to the minister, what has been the total cost of executive position terminations since 22 March 2022?
6. For each department and agency reporting to the minister, will the minister provide a breakdown of expenditure on consultants and contractors with a total estimated cost above \$10,000 engaged between 22 March 2022 and 30 June 2022, listing the name of the consultant, contractor or service supplier, the method of appointment, the reason for the engagement and the estimated total cost of the work?
7. For each department and agency reporting to the minister, will the minister provide an estimate of the total cost to be incurred in 2022-23 for consultants and contractors, and for each case in which a consultant or contractor has already been engaged at a total estimated cost above \$10,000, the name of the consultant or contractor, the method of appointment, the reason for the engagement and the total estimated cost?
8. For each department and agency reporting to the minister, will the minister advise whether it will be subject to the 1.7 per cent efficiency dividend for 2022-23 to which the government has committed and, if so, the budgeted dollar amount to be contributed in each case and how the saving will be achieved?
9. For each department or agency reporting to the minister, how many surplus employees were there at 30 June 2022, and for each surplus employee, what is the title or classification of the position and the total annual employment cost?
10. For each department and agency reporting to the minister, what is the number of executive staff to be cut to meet the government's commitment to reduce spending on the employment of executive staff by \$41.5 million over four years and, for each position to be cut, its classification, total remuneration cost and the date by which the position will be cut?
11. For each department and agency reporting to the minister:
  - What savings targets have been set for 2022-23 and each year of the forward estimates;
  - What is the estimated FTE impact of these measures?



12. For each department and agency reporting to the minister, will the minister advise what share it will receive of the \$1.5 billion the government proposes to use over four years of uncommitted capital reserves held in the budget at the time it took office and the purpose for which this funding will be used in each case?

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

- What was the actual FTE count at 30 June 2022 and what is the projected actual FTE account for the end of each year of the forward estimates;
- What is the budgeted total employment cost for each year of the forward estimates; and
- How many targeted voluntary separation packages are estimated to be required to meet budget targets over the forward estimates and what is their estimated cost?

14. For each department and agency reporting to the minister, how much is budgeted to be spent on goods and services for 2022-23 and for each year of the forward estimates?

15. For each department and agency reporting to the minister, how many FTEs are budgeted to provide communication and promotion activities in 2022-23 and each year of the forward estimates and what is their estimated employment cost?

16. For each department and agency reporting to the minister, what is the total budgeted cost of government-paid advertising, including campaigns, across all mediums in 2022-23?

17. For each department and agency reporting to the minister, please provide for each individual investing expenditure project administered, the name, total estimated expenditure, actual expenditure incurred to 30 June 2022 and budgeted expenditure for 2022-23, 2023-24, 2024-25 and 2025-26.

18. For each grant program or fund the minister is responsible for, please provide the following information for the 2022-23, 2023-24, 2024-25 and 2025-26 financial years:

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

**The CHAIR:** The allotted time having expired, I declare the examination of the portfolio of the Office of the Small Business Commissioner completed. The examination of the proposed payments for the Department for Innovation and Skills and the Administered Items for the Department for Innovation and Skills I refer to Estimates Committee A for further consideration.

**ATTORNEY-GENERAL'S DEPARTMENT, \$109,934,000**

**ADMINISTERED ITEMS FOR THE ATTORNEY-GENERAL'S DEPARTMENT, \$51,535,000**

**Membership:**

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

**Minister:**

Hon. A. Michaels, Minister for Small and Family Business, Minister for Consumer and Business Affairs, Minister for Arts.

**Departmental Advisers:**

Ms C. Mealor, Chief Executive, Attorney-General's Department.

Mr A. Swanson, Chief Financial Officer, Attorney-General's Department.

Mr D. Soulio, Commissioner, Consumer and Business Services.

Mr F. Stroud, Director, Regulation and Advice, Consumer and Business Services.

Mr D. Allison, Acting General Manager, Regulatory Services, Consumer and Business Services.

Mr S. Bedford, Manager, Finance, Governance and Reporting, Consumer and Business Services.

Mr S. Cole, Senior Regulatory Officer, Regulatory Services, Consumer and Business Services.

**The CHAIR:** Welcome. The portfolio is Consumer and Business Services. The minister appearing is the Minister for Consumer and Business Affairs. I declare the proposed payments open for examination. I call on the minister to make a statement, if she so wishes, and to introduce advisers. I call on the lead speaker for the opposition to make a statement, if the member wishes. I call on members for questions.

**The Hon. A. MICHAELS:** Thank you, Mr Chairman. We have had a shift in the people sitting around me. On my left we have the Commissioner for Consumer and Business Services, Mr Dini Soulio. On my right we have Ms Caroline Mealor, Chief Executive, AGD; and Mr Andrew Swanson, Chief Financial Officer, AGD. Behind me we have Mr Fraser Stroud, Director, Regulation and Advice, CBS; Mr Damian Allison, Acting General Manager, Regulatory Services, CBS; Mr Sean Bedford, Manager, Finance, Governance and Reporting, CBS; and Mr Stuart Cole, Senior Regulatory Officer, Regulatory Services, CBS. I am happy to take questions.

**Mr TEAGUE:** I have no opening statement and will go to questions, if I may, Chair. I refer to Budget Paper 4, Volume 1, page 48, Program 15. I will refer to Budget Paper 5, pages 11 and 13 in due course to touch on the mandatory fuel scheme and the motor trades at this time. To start with, in Budget Paper 4, Volume 1, page 48, regarding the program within AGD, subject to overall operating efficiencies that have been applied to the department, can the minister indicate the CBS share and any more particularisation around those operating efficiencies?

**The Hon. A. MICHAELS:** Obviously, all departments have had their target of operating efficiencies to be able to implement our election commitments, which were substantial, particularly in areas such as health and education. My chief executive, Ms Mealor, together with Mr Soulio, will be working through those efficiency dividends with regard to Consumer and Business Services. I think they both have it in hand to be able to do that. I have expressed my view that frontline services that effectively are provided by CBS are not taken away from in any way. I am confident that those services will not be impacted by these efficiency dividends.

**Mr TEAGUE:** So there is no quarantine, in other words, and no particularisation in relation to CBS share? There is program 15 share—

**The Hon. A. MICHAELS:** No. The chief executive is working through that at the moment in terms of how she intends to meet those saving targets.

**Mr TEAGUE:** Minister, just to be clear, in relation to the balance of the programs, I put the same question to the Attorney on Tuesday and received a similar sort of answer. You were clarifying that program 15 is no exception in that sense.

**The Hon. A. MICHAELS:** Correct.

**Mr TEAGUE:** I suppose, therefore, there is no light that might be shed, from your point of view in particular, on the particular ramp-up of those operating efficiencies over the course of the forward estimates?

**The Hon. A. MICHAELS:** No. I do not have anything that I can add to that. I know the department is working on a variety of options in terms of saving on accommodation, rent, for example, and various other options that they are working through at the moment. I am sure they will come back to me with their suggestions.

**Mr TEAGUE:** In relation to operating income expenses and FTEs of the program more discretely, I am at page 49 now and I will refer to the table of income to start with. We see there fees, fines and penalties over 2020-21, 2021-22 and budget 2022-23. I would describe those as remarkably stable, remarkably consistent over the course of those years. They are around the \$40 million mark. Perhaps a broader observation: if one turns to page 52, at about point 3 on the page we see the fees, fines and penalties for the whole of the department, and in 2022-23 that is running at \$72 million; is that right?

**The Hon. A. MICHAELS:** Yes.

**Mr TEAGUE:** So in program 15, the CBS share of fees, fines and penalties for the department is the significant proportion, right?

**The Hon. A. MICHAELS:** Yes, that is right.

**Mr TEAGUE:** While we are there at page 52, is there anything remarkable to explain the difference between the 2021-22 budget and the estimated result on the one hand and the 2022-23 budget for fees, fines and penalties overall? You might not know because CBS is not seeming to change.

**The Hon. A. MICHAELS:** In terms of CBS, I believe the changes are really indexation changes. That is really where that is at. Machinery of government changes have impacted on that as well, planning having gone from AGD.

**Mr TEAGUE:** In other words, CBS continues to be the lion's share of the fees, fines and penalties for the department, and that is not changing much over the course of any given period of time and on the face of this. What is interesting, and perhaps this is my question, is that the budgeted net cost of providing services, at the second to bottom line of that table, has jumped relatively significantly over the estimated result 2021-22 to 2022-23. That is fair, is it not?

**The Hon. A. MICHAELS:** Yes.

**Mr TEAGUE:** That is \$5½ million or so. In the context of operating efficiencies, CBS is expected in a way, in terms of having to save on expenses, to undertake a significant contribution, therefore, to the overall picture for AGD. Is that the right way to read that? Is there any other contributor to expenses and change of expenses that is notable at that point?

**The Hon. A. MICHAELS:** Partly it is the carryover of funding that went into 2021-22. Mr Swanson might be able to explain that better than I can.

**Mr SWANSON:** Just under that table, the bottom paragraph refers to the decrease in expenses in the 2022-23 budget. It is mainly due to the carryover of funding into the previous year, which was one-off in terms of how the numbers are presented.

**Mr TELFER:** A carryover from 2020-21 into 2021-22?

**Mr SWANSON:** Yes.

**Mr TEAGUE:** In that sense, the estimated result for 2021-22 is the outlier. If we step back, one can see that the results on the expenses side go back to the \$12 million to \$14 million range. So 2021-22 is an outlier, and that is for the reasons that Mr Swanson has just adverted.

**The Hon. A. MICHAELS:** Yes.

**Mr TEAGUE:** There are two or three line items in the expenses section—supplies and services and other expenses—that appear to be budgeted unusually low against the background of the previous years. Is there anything that might better explain or particularise reasons for that?

**The Hon. A. MICHAELS:** Partly, it is carryovers; partly, I think there were a couple of projects that were funded in 2021, including digitising births, deaths and marriages records, and the IT system was built and funded through the 2021-22 year.

**Mr TELFER:** Were those ones in the other expenses?

**The Hon. A. MICHAELS:** In terms of where that money sat?

**Mr TELFER:** Previously.

**The Hon. A. MICHAELS:** In supplies and services.

**Mr TEAGUE:** Supplies and services was lower in 2020-21, but it is coming back as a result of completion of the project?

**The Hon. A. MICHAELS:** Completion of that digitisation project and the IT software upgrades.

**Mr TEAGUE:** Just to characterise that net cost of provision of services, you agree, do you not, though, that it is a relatively substantial contribution to savings in and of itself year to year, regardless of how we got there?

**The Hon. A. MICHAELS:** Ms Mealor might want to make a comment about how large CBS is as a part of all AGD.

**Ms MEALOR:** CBS would be one of two or three of the larger business units across the department. Traditionally, AGD have split savings across the agency based on a consideration of the size, as in the FTE size of it, so on that basis, unfortunately, CBS is going to be one of the areas in the department that has a share of savings on the bigger side.

**Mr TEAGUE:** I guess, really, the proposition I am trying to make good through this is that, on the face of the budget—maybe I am sort of cheerleading for the commissioner at this point—without doing anything else, CBS is contributing substantially over and above last year's position. So there might be a reasonable argument for CBS to say, 'If you compare the ramping up of operating efficiencies over the forward estimates, the CBS change for this year is ranking second to 2025-26, is it not?'

**The Hon. A. MICHAELS:** From CBS's perspective, it is probably one of the very few agencies that makes money, so congratulations to the commissioner. I can say that, seeing the work the commissioner has done even when I was shadow, the broad range of the regulation that he needs to deal with from residential tenancies all the way through to liquor licensing and gambling, it is an extensive portfolio area that he needs to deal with, and he does it extraordinarily well with the resources he has.

**Mr TEAGUE:** In light of all of that, it would be eminently reasonable, would it not, for that to be the end of the operating efficiencies for CBS? Find the operating efficiencies elsewhere, in other words. Is there anything else that is, in a way, special from an operating efficiencies point of view that the minister would reflect on in light of CBS's special contribution—albeit via fees, fines and penalties—in relation to its appropriate position vis-a-vis operating efficiencies? Would you not argue, 'Give more resources to Consumer and Business Services'?

**The Hon. A. MICHAELS:** In an ideal world, but we are dealing with our priorities, our election commitments. The commissioner does a fantastic job with what he has. I do not know if the commissioner wants to add anything, or the chief executive.

**Ms MEALOR:** I would only add that you highlight the challenge for the commissioner, and for me and Mr Swanson, and that is finding those savings, which we will find, but making sure that we are not affecting the delivery of services to the community or indeed the gathering of the revenue, which is an important part of the function.

**Mr TEAGUE:** If that is then the starting point on the financial picture, I just turn to a couple of more particular activities and then reference to highlights and targets. Minister, you have referred to the upgrade. I am at page 49, point 7 on the page, explanation, and then in the table at the bottom of that page. You have referred to the funding provided for the upgrade and replacement of CBS systems and the digitisation of historical files in births, deaths and marriages.

In the context of the table at the bottom, and particularly the bottom two lines, certificates issued within five days—it is really primarily that penultimate line—to what extent has the upgrade already helped? Is it making a difference and is there any anticipated ongoing improvement in terms of meeting targets resulting from those upgrades?

**The Hon. A. MICHAELS:** Those numbers, particularly in 2021-22, were impacted by COVID. You will know that printing of birth certificates and death certificates—you probably did the same tour I did of CBS—needs to be on that special paper. COVID impacted that in terms of there were a number people working from home for a period of that time, which made it difficult. The commissioner might want to add something, but that essentially is what that number was impacted by.

**Mr TEAGUE:** I hasten to add that I am not complaining about the 73 per cent figure. I am really focused on what the upgrades bring.

**The Hon. A. MICHAELS:** You can answer that, please, Mr Soulio.

**Mr SOULIO:** The upgrades are still going through that process at the moment, so those projects are not complete. They have not been finalised yet. It is a rolling digitisation of records, going backwards in time. Certainly, that will speed up the process, because the records are digitised, rather than having to go through, I think it is microfiche and microfilm, to find things at the moment. It will certainly assist in doing that much more quickly now that they can be digitised. That process is ongoing but certainly making life easier to identify and find and produce those certificates, where people have asked for older certificates, particularly.

**Mr TEAGUE:** I am turning to other activities, back at page 48 and the first dot point in relation to CBS aims. Clearly, the primary aim of CBS is to ensure compliance with legislation relating to liquor licensing. I might refer at this point to the table over the page, at page 50, point 7 on the page, line 5, the number of inspections that have occurred. First of all, is there sufficient provision for compliance with responsible service of alcohol and other measures that might be the subject of inspections? In that context, is there an explanation for the relative disparity between the estimated result on inspections in 2021-22 and the projection for 2022-23?

**The Hon. A. MICHAELS:** My understanding is that is largely COVID-related in terms of actual physical inspections. The commissioner might want to address that.

**Mr SOULIO:** Are you referring to the increase and the decrease in inspections? Is that what you are saying? Sorry, just to clarify the question in relation to the estimated result that is budgeted.

**Mr TEAGUE:** I am looking at the table that is talking about the number of liquor, gaming, casino and wagering inspections. In the activity indicators table: second half, 1,000 for 2021-22. They are all in round numbers, I might say. I presume that is not reflecting—

**Mr SOULIO:** That is projections. That is the estimate.

**Mr TEAGUE:** But with both the estimated and the actuals they are beautifully round.

**Mr SOULIO:** The projection we work on a round number to work out how close we are going to get. Rather than trying to project that we are going to do 2,527, for example, we say it is 2,500. In relation to the estimated result, that is an estimated result, that 1,000. We would have to come back to you with the exact figure as it may stand.

But certainly, we have had an issue through that period of a number of venues being closed and that issue of some of it being diverted from a COVID response compliance rather than purely field inspection work that was being undertaken, and also making sure that we focused on things where we were looking at, perhaps, casino work rather than spending time in pubs and clubs during this COVID period where they were down on numbers. Certainly, we had officers who were

conducting inspections; we had to divert some of those during the COVID shutdown periods and things like that.

**Mr TEAGUE:** Nonetheless, it is a significant reduction on the actual for 2021, and one might think on the surface that 2021 was similarly, if not more, COVID-affected. The projection is nonetheless a consistent projection from year to year. In terms of understanding both the actual for 2021 and the estimated for 2021-22, they are more and less affected by COVID; is that the key standout explanation for it?

**Mr SOULIO:** That is part of it. What we have also done through that time is go through a significant restructure of that area. We have brought on a new director and assistant director sitting over that area who have conducted a review of the operations and then have gone through a significant restructure of that team. That happened during that year. So while we were going through that transition, we were down on numbers, recruiting for new positions to deliver a new inspection and compliance enforcement model. That had an impact on our ability to conduct those field inspections.

So while we had a high-risk targeted approach to those inspections ongoing, we were in a period of what I would call transition in relation to a more rigorous compliance enforcement model, particularly in relation to the Casino and gambling. That required that lull while we did that transition. We now anticipate being back to those numbers that we had anticipated previously—and where we should be, and where I have always wanted to be—but with the right people in the right roles to carry that out. That is why we have maintained the projection at that higher rate level because that is where I want us to be and we have now built the model structure resourcing to be able to do that.

**Mr TEAGUE:** And it remains a valid benchmark and it remains a valid indicator, does it, of activity?

**Mr SOULIO:** Yes.

**Mr TEAGUE:** Minister, in terms of resources that were made available to CBS for that important work, are you satisfied that there is sufficient capacity for CBS, resource-wise, to meet those projections or targets on inspection site?

**The Hon. A. MICHAELS:** Yes, I am advised that that is, in fact, quite achievable. That restructure happened in the time of the former government, so I think we are happy with those figures.

**Mr SOULIO:** And ready to go.

**The Hon. A. MICHAELS:** And ready to go, yes.

**Mr TEAGUE:** Moving just a little bit further down the same activity indicator table to the number of liquor licence applications, the note on that line being that it includes transfer and variation applications. I wonder, is it convenient at that point to separate those out, in terms of how many new ones, to give a picture on licence issuance?

**The Hon. A. MICHAELS:** Between applications and transfers?

**Mr TEAGUE:** Yes.

**The Hon. A. MICHAELS:** We can take that on notice and come back to you.

**Mr TEAGUE:** Given that there is that combination, how would you describe the nature of activity? In the face of it we have a table indicating through COVID a substantial increase from 2020-21 through the estimated result in 2021-22 across those categories. Is there a clear explanation, COVID-related or not, for that increase?

**The Hon. A. MICHAELS:** I would anticipate that it is a rebounding of confidence. The year 2020-21 was a difficult one, obviously, for hospitality, and I think there was probably a level of confidence in what is now the current financial year. Most of late last year people were really quite positive and going out to venues, and things like that. That probably helped with the increase in applications. I do not know if the commissioner has any more information on that.

**Mr SOULIO:** With a number of these measures we can only deal with what comes through the door, I suppose, from that point of view. As to what was going on in the market, it is not something

we would necessarily read, but the feedback I have had from industry is that there has been an increase in applications to transfer and a number of acquisitions in relations to hotels, more recently, that suggests there is some level of confidence in the industry at the moment.

**Mr TEAGUE:** Without the detailed particulars, is there any anecdotal sense that this has been dominated by transfers, or that they are all new, or is it the usual mixture over the course of those years? Is it a usual mixture of all those categories?

**The Hon. A. MICHAELS:** Commissioner, are you able to take that on notice?

**Mr SOULIO:** I will have to take that on notice.

**Mr TEAGUE:** A question in terms of the reform context: given the time since the Anderson review, which has now found its way into relevant legislation and regulations, are we now in an environment that is enabling the commissioner to realise the intent of the reforms, given that we now have these new and condensed categories of liquor licences and, importantly, the removal of the needs test? What kind of concerns, if any, exist in relation to anti-competitive and community harm provisions? Are they strong enough, or is there a need to do more in that area, and is there a need to resource the commissioner accordingly?

**The Hon. A. MICHAELS:** The commissioner can answer the question as to how those relatively new categories are progressing.

**Mr SOULIO:** We have certainly seen an influx of applications for packaged liquor outlets, takeaway bottle shop type venues, and there was a shift away from a needs test, as you point out, to a community impact assessment through that process. I have considered a number of applications under that new model that was introduced following the Anderson review.

I will not go into too much detail, because a number of those are now subject to appeals to the Licensing Court following my refusal of those applications. We have certainly seen an influx of those sorts of applications, particularly by larger retailers looking to open more bottle shops. The rest have been stable.

The Anderson review removed a special circumstances licence category, so a number of venues who may have previously fitted into that category may now be looking for a general and hotel, which also requires a more stringent application process. It has had an impact on the ability for those venues to apply for licences, but we are certainly accommodating those, but the main category of significant applications has been those packaged liquor outlets and takeaway bottle shops, and a number of those have been refused on community interest grounds.

**Mr TEAGUE:** Staying with the liquor licensing side just for one further moment. The next line in the activity indicators table deals with the number of short-term liquor licence applications, previously the limited liquor licences. Is there anything, minister, that can be gleaned from the change? They, on the other hand, appear to be steady over the course of the last two years as is the projection for this year. Is it best characterised an activity measure? Is it expected therefore to be consistent? Is there anything the commissioner might have to add about that?

**The Hon. A. MICHAELS:** As the commissioner says, the events are still happening, weddings are still happening, events are still happening, birthday parties are still happening, so that is the consistency that we are seeing through those numbers.

**Mr TEAGUE:** In relation then to the next line of the activity indicators, the number of gaming, casino and wagering applications, another story is told on the face of those figures, through both the projection 2021-22, the estimated result 2021-22, which is an outlier, and then the really quite significantly adjusted projection for 2022-23. Is there any particular reason for the combination of those outcomes and projections?

**The Hon. A. MICHAELS:** There is a correction on those numbers that you are looking at, so I will give you the new numbers, and I will get the commissioner perhaps to explain. The 2022-23 projection for gaming, casino and wagering applications is 950. The estimated result is 993 and the projection is still 300. The 2020-21 actuals are 1,352, and I will ask the commissioner to explain that variance.

**Mr TEAGUE:** Minister, I apologise, I am probably the slowest one in the room, but did you say the projection for 2022-23—

**The Hon. A. MICHAELS:** Is 950.

**Mr TEAGUE:** That is 950, so that is a straight-out error?

**The Hon. A. MICHAELS:** Yes.

**Mr TEAGUE:** So not 550, but 950.

**The Hon. A. MICHAELS:** And then we go over to 993—

**Mr TEAGUE:** Estimated at 2021-22—

**The Hon. A. MICHAELS:** So 993 is the figure.

**Mr TEAGUE:** I can understand the typographical nature of one error perhaps, but I would be interested to know if there is any explanation for this particular error. However, I will wait for that.

**The Hon. A. MICHAELS:** I have had this explained to me several times, and I think I will allow the commissioner to explain that.

**Mr TEAGUE:** The 2021-22 projection?

**The Hon. A. MICHAELS:** Is the same: 300.

**Mr TEAGUE:** Right.

**The Hon. A. MICHAELS:** And the 2020-21 actual is 1,352. I will allow the commissioner to explain that for you.

**Mr TELFER:** It has changed those numbers a fair bit.

**Mr SOULIO:** Sure.

**Mr TEAGUE:** That might have changed all of my preparation for this session.

**Mr SOULIO:** You also might want to take back all of the praise you gave me at the beginning of the meeting. You might want to come back now and we might revisit that.

**Mr TEAGUE:** I maintain it; I do not withdraw for a moment.

**Mr SOULIO:** Thank you. What has happened, as has been explained, is that there has basically been a human error in relation to a carryover of previous numbers from a previous estimates pack in relation to the activity indicators, so the wording of it is the 2020-21 figure had not been updated from the estimated result from 2021, if that makes sense. The 2021 result had been incorrectly calculated.

So we have two errors going on here: one is a human error to incorrectly calculate the 2021 figure and then to carry it across. It has then been carried across into the actual result for 2021 in this document. I am happy to take any questions that you want to put on notice later, knowing the new numbers now, if you want to propose any other questions, but certainly those numbers were significantly different from what was reported in that document.

There is some concern in relation to that. So we will be making sure that next year's estimates are corrected and reflect that, and there will be a note to explain all of this, but certainly those numbers are significantly different from that.

**Mr TEAGUE:** In light of that, and endeavouring to then adjust for those changes, why then was the projection 300 for 2021-22? That now appears to be the big outlier.

**Mr TELFER:** Because they made the mistake in the 2021.

**Mr SOULIO:** So the projection in 2021-22 was reflective of what we thought was 2021.

**Mr TEAGUE:** Only on the formula?

**Mr SOULIO:** Yes.



**Mr TEAGUE:** So the projection in 2021-22 is kind of meaningless in this context?

**Mr SOULIO:** That is right, it should have been closer to a thousand.

**Mr TEAGUE:** Is the result that what we have seen over those years is in fact, apart from being more consistent, a marginal decline in the number of such applications, albeit over all categories?

**The Hon. A. MICHAELS:** Marginal, but yes.

**Mr TEAGUE:** I understand you have taken on notice the more particular reasons for the decline, such as it is, and I certainly welcome any further explanation from the commissioner about that.

**The Hon. A. MICHAELS:** I can also inform you that there was a 26 per cent decrease in TAB applications as well: 188 in 2021 compared with 135 in 2022, so that impacted it as well.

**Mr TEAGUE:** Dare I ask about the next line?

**Mr SOULIO:** You can, we have a similar story to tell you.

**Mr TEAGUE:** So the charity and lottery licence applications are not similarly affected?

**The Hon. A. MICHAELS:** No, those figures are correct.

**Mr TEAGUE:** So we have an isolated line that is affected by the errors the commissioner has described and we can—

**Mr TELFER:** Can I clarify: in the activity indicators is that the only line which we have highlighted?

**The Hon. A. MICHAELS:** The liquor licence application figure is 3,000 for the 2023 projection, 3,081 for the estimated result for 2021-22 and the actual figure for 2021 is 3,609. I think it is the same logic as to why that happened. There is one other line, new occupational licence applications: the correct figures are 7,500 for the 2022-23 projection, estimated is 7,338 and the actual for 2021 is 7,616.

**Mr TEAGUE:** I wonder in the circumstances, minister, whether it would be possible and convenient to reproduce the activity indicators table, perhaps marked up to indicate the changes and the correct figures so that we can identify then by reference to that what we have talked about just now.

**The Hon. A. MICHAELS:** We can do that in our response to your questions, yes.

**Mr TELFER:** It would have been nice to know these numbers before you started unpacking the activity indicators.

**Mr TEAGUE:** I am out of time, but I want to ask one question about the performance indicators before going very briefly to the mandatory fuel price transparency scheme. Performance indicators, same page 50, at about point 3 or 4 on the page. Towards the bottom of the performance indicators table we have 'percentage of consumer disputes finalised were escalated within 30 working days'.

**The Hon. A. MICHAELS:** Yes.

**Mr TEAGUE:** We have consistent targets, year to year, and we are seeing a similar underperformance to target in relation to each of those years. Is there a need for more resources, or is there a particular difficulty that is leading to that being a notable departure from target?

**The Hon. A. MICHAELS:** Again, I think the dreaded COVID is the reason for a lot of that, in terms of COVID restrictions and being able to have conciliation conferences. It has proven to be more difficult trying to do that by teleconference.

**Mr SOULIO:** Certainly, that has been a concern in relation to the disputes resolved through the compulsory conciliation. When we do that process by telephone or videoconference it is just not as effective and successful as it is face-to-face, in trying to resolve disputes. In relation to the number of disputes escalated within 30 days, that can be much better. We have gone through a process of

reviewing that process as well, on top of the compliance enforcement process I spoke about earlier, to look at ways of improving that. We are now seeing the fruits of that, but it has taken a bit of time to implement the new operating model.

**Mr TEAGUE:** In both respects, those two performance indicators speak directly to the bottom two lines of the activity indicators, in that that is showing as number of cases in absolute terms; that is the case load.

**The Hon. A. MICHAELS:** Yes.

**Mr TEAGUE:** In the remaining minutes, I turn to the continuation of the mandatory fuel price transparency scheme, which is listed at dot point 3 on page 48 as one of the targets for 2022-23, the implementation of the continuation of the scheme. My interest, or my focus, is particularly on page 11 of part 5, where we see that the 2022-23 budget for that implementation is relatively modest compared to the subsequent years of the forward estimates. Is there a particular reason for that escalation and then what appears to be indexed over the remainder?

**The Hon. A. MICHAELS:** The trial runs out in March 2023, so that is the balance from March through to June for this continuation.

**Mr TEAGUE:** So in other words—

**The Hon. A. MICHAELS:** The money is there for the trial period and this is starting the permanent scheme. Essentially, that money starts from March 2023 and goes through to June 2023. It is only a part of the year.

**Mr TEAGUE:** So the burden on the 2022-23 budget is simply—\$400,000 or so is already there from the previous year.

**The Hon. A. MICHAELS:** Yes.

**Mr TEAGUE:** And the rest, as is set out in the paragraph below, is simply the result of indexation.

**The Hon. A. MICHAELS:** Yes, the increases year on year are indexation.

**Mr TEAGUE:** What proportion of that budget allocation for each year is occupied by the one full-time equivalent? Does that represent one member of staff, or how is that made up?

**Mr SOULIO:** We are about to go through a procurement process for the extension of that, so I am not really able to give too much information about the discrepancy. We have one person who is dedicated to doing that, but there are a number of staff who contribute to that through the inspection processes and other work in that space.

So there is one staff dedicated to doing that work, and there will be other staff who are involved in the inspections as well. However, I am not able to give the breakdown because of the procurement process we are about to go through. If I give you the breakdown of staff, you are then going to have to work out what that means for the actual service position, if that makes sense.

**Mr TEAGUE:** So it is a capacity provision, but it may well be that it is split between—

**Mr SOULIO:** More individuals.

**Mr TEAGUE:** In other words, it is not a single subject matter expert who is being brought in to do one and all. How much of that therefore, that one FTE, whether one person or more, is then taking up the budget allocation, or is that not yet determined?

**Mr SOULIO:** No, we have not quite determined that. Again, I have to be careful about saying what is left over because that will then describe what the procurement money available for the service to be provided would be, if that makes sense. If I go into the specifics of how much it would cost to run it, it would then tell you how much it cost.

**The CHAIR:** With that question, and you have had a response, it is actually 3.15. I will be so generous, I will give you just a very quick one.

**Mr TEAGUE:** We are so generously hosted by the Legislative Council for these purposes, and I am relying on the technology of the council.

**The CHAIR:** I rely on something far more accurate.

**Mr TEAGUE:** Is it kind of *The Ministry of Silly Walks* in the sense that, if there were more funding available, more would be able to be achieved? Or is it actually identified, boxed and diced and we know what it takes to operate what appears to have been a very successful initiative going forward?

**The Hon. A. MICHAELS:** I think the education program, from when it was initiated in March 2021, dealt with a lot of the problems in terms of fuel retailers reporting accurately. There were a number of warning letters that went out and a number of fines issued. I think people are now fairly well on track, particularly larger fuel suppliers. My understanding is their software is automatically talking to the fuel aggregator. In terms of compliance, those resources are adequate, particularly given that we have had the trial. People are used to using the system.

**The CHAIR:** Thank you, minister. Given the allotted time has now expired, I declare the examination of the portfolio of Consumer and Business Services completed. I would like to thank all the public servants who have made a contribution to this process. We know there is a lot of background work that goes into this, and we know that a significant proportion of that work never sees the light of day in this committee. One day, we will reform these processes so that they are more effective and more efficient and we do not have a Chair having to do five days of this.

*Sitting suspended from 15:17 to 15:30.*

**DEPARTMENT OF THE PREMIER AND CABINET, \$377,085,000**

**ADMINISTERED ITEMS FOR THE DEPARTMENT OF THE PREMIER AND CABINET,  
\$20,505,000**

**DEPARTMENT FOR INNOVATION AND SKILLS, \$382,416,000**

**ADMINISTERED ITEMS FOR THE DEPARTMENT FOR INNOVATION AND SKILLS,  
\$13,365,000**

**Membership:**

Ms Pratt substituted for Mr Telfer.

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

**Minister:**

Hon. A. Michaels, Minister for Small and Family Business, Minister for Consumer and Business Affairs, Minister for Arts.

**Departmental Advisers:**

Mr S. Woolhouse, Executive Director, Communities and Corporate, Department of the Premier and Cabinet.

Ms J. Layther, Director, Arts SA.

Ms B. Bates, Director, Creative Industries, Department for Innovation and Skills.

Mr M. Smith, Director, Financial and Business Services, Department for Innovation and Skills.

**The CHAIR:** Welcome everybody. The portfolio is Arts SA and creative industries. I declare the proposed payments open for examination. I call on the minister to make a statement, if she so wishes, and to introduce advisers. I call on the lead speaker for the opposition to make a statement, if they so wish. I call on the members for questions.

**The Hon. A. MICHAELS:** I want to introduce Mr Steven Woolhouse, Executive Director of Communities and Corporate, on my left; and Ms Jennifer Layther, Director of Arts South Australia, on my right. Behind me I have Becc Bates, who is the Director of Creative Industries at DIS, and Martin Smith, Director of Financial and Business Services at DIS.

If it pleases the members, we might start with the arts questions and go to DIS when Mr Reid can come through from the other committee and then, if there is time, go back to Arts SA questions, if there are any. I do not need to make an opening statement other than to say that I am thrilled to be able to be the arts minister and implement our election commitments between creative industries and arts, with almost \$30 million of extra money going into the sector, which I am really pleased to be able to get up and running very promptly, including our new live music grants that went live on Sunday. I am happy to take questions.

**The Hon. J.A.W. GARDNER:** I will go straight to questions. I refer to Budget Paper 4, Volume 4, page 29, grants and subsidies. I know that in Budget Paper 5 we have two new programs of new funding: \$2 million for grants for artists and art organisations to develop new work and \$2 million extra per year for the Fringe Festival. Can I confirm that the first year of that funding—that \$4 million of funding to deliver on the election commitments—is reflected in this line of grants and subsidies that totals \$111 million for the 2022-23 financial year?

**The Hon. A. MICHAELS:** Yes, it is.

**The Hon. J.A.W. GARDNER:** That is accounted for there, thank you. Although there is \$4 million of new money in there, it is a dip from \$135 million last year—the 2021-22 estimated result on page 29—and indeed even in the budget last year. The minister would be able to see \$13.4 million of that cut explained lower on the page, but that still leaves a difference of \$10.6 million. Can the minister explain what other grants or subsidies have been cut from last year to this year in order to account for that \$10.6 million that is not accounted for lower down on the page?

**The Hon. A. MICHAELS:** It is largely explained within the budget itself in terms of arts recovery fund money pending. Regarding the Festival Centre Trust revenue from closing through the redevelopment, the injection of \$7.7 million was put in there to support them through that closure for redevelopment. There was \$5.5 million that dealt with rental arrangements with the Festival Centre Trust, with the transfer for the centre itself. Obviously, depreciation, \$4.9 million, is out of those figures now that the transfer has happened. There was an arts recovery fund of \$4 million, and Festival Plaza activation of \$3 million once the redevelopment was finished and the plaza reopened. The Carrick Hill visitor centre was \$1.5 million. That explains most of those figures.

**The Hon. J.A.W. GARDNER:** We will explore through some others whether there are any other matters. The net cost of the program overall drops from \$128 million in 2021-22 down to \$113.6 million in 2022-23, which I calculated is \$14.7 million. Again, there is about \$13 million explained lower down the page, but there is also the \$4 million in new money supposedly coming in, so as far as I can tell there is a \$5.3 million gap. I am wondering if that \$5.3 million gap in the coming year represents a contribution from the arts program towards the DPC overall savings task of \$14.5 million, or is that gap in addition to the overall savings task that is going to be applied?

**The Hon. A. MICHAELS:** Mr Woolhouse is suggesting it is the same explanation in terms of the reduction. A higher expenditure level in 2021-22 versus the 2022-23 year for all of those predominantly one-off items.

**The Hon. J.A.W. GARDNER:** Right, so we spent more last year. Is there a reflection in these budget lines of the arts program's contribution towards DPC's savings task?

**The Hon. A. MICHAELS:** Yes, there is in there.

**The Hon. J.A.W. GARDNER:** Can the minister identify what is the arts and cultural policy support program's contribution towards operating efficiencies for 2022-23?

**The Hon. A. MICHAELS:** The chief executives are currently working through all those efficiency dividends and where that is being allocated to. I am pleased to say that although essentially our expenditure as arts is about 40 per cent of DPC substantially less than that is being allocated as savings targets for arts, but the chief executive, Mr Damien Walker, is working through that and is coming to us with proposals as to how to meet those savings between all the various parts of DPC.

**The Hon. J.A.W. GARDNER:** I draw from that answer the inference that there is still some negotiation going on within DPC before a final allocation is to be locked in, and it may well be that the chief executive comes up with some bright ideas that will make the task easier, or they may not. If that savings task is to be reflected in these program summaries, there must be a notional allocation at least for 2022-23. My question is: what is that notional allocation for the coming year to the arts program?

**The Hon. A. MICHAELS:** It is an around 20 per cent figure, so half of what it really should be on a proportionate basis. I am really pleased that the Premier and Mr Walker have agreed to that. It puts us in a very good position for arts in terms of the efficiency savings that we will need to deal with, but in terms of how that happens and finalising all of that, that is with Mr Walker as the Chief Executive of DPC to work through how that happens.

**The Hon. J.A.W. GARDNER:** Given that the minister has identified that the notional savings task to the art program is about half of what it should be on a proportional basis of the overall savings within DPC, I can try to work that out on the back of an envelope, but would the minister prefer to provide us with a dollar figure?

**The Hon. A. MICHAELS:** I might get Mr Woolhouse to explain it.

**Mr WOOLHOUSE:** Yes, I can see you doing some calculations there. In terms of the notional allocation that is represented within the budget papers for this program, it is about \$2.8 million.

**The Hon. J.A.W. GARDNER:** Two point?

**Mr WOOLHOUSE:** Yes, \$2.89 million would be the allocation for 2022-23. That is the allocation for the budget papers that we have presented over that program. You were referring originally to the savings in Budget Paper 5, the Budget Measures Statement, and you have made previous reference to the \$65.8 million over the forwards, and there is a number in there for 2022-23 of about \$14½ million. In this case, your question is around what is the allocation that has been made against program 7, the arts and policy. The allocation for that purpose is about \$2.89 million.

**The Hon. J.A.W. GARDNER:** Given that the allocation of efficiencies for DPC in 2022-23 is \$14.5 million and arts is losing \$2.89 million, which represents 19.9 per cent of DPC's efficiencies that are required, I note that the 2023-24 savings task of DPC is \$20.6 million, which, if the arts portfolio is lucky enough to only be 19.9 per cent again next year, means the arts will be having to find \$4.1 million in savings in 2022-23 and a similar number again in 2024-25, and then a reduced number, presumably, in 2025-26. Unless the minister believes the arts will have less of the cuts in the future years, that adds up to about \$13 million in cuts to the arts budget over the forward estimates. Is that the notional allocation that has been provided?

**The Hon. A. MICHAELS:** Yes, the base is from 2.89, and an indexation from that, so those figures are not quite right. It is an indexation from the 2.89, bearing in mind the extra \$16 million that is going in over the forward estimates for Fringe and for the arts grants.

**The Hon. J.A.W. GARDNER:** I am fairly sure, minister, that the Labor Party spent a lot of time talking about the \$16 million they were adding into the arts budget over four years. I am not sure I recall many TV news stories about the \$13 million that is being withdrawn. But that notwithstanding, we have \$2 million going for new grants for artists to develop work, per year, and \$2 million extra going to the Fringe per year, but elsewhere in the arts budget we have these efficiencies that are required.

The dominant area of expenditure in this budget—\$111 million out of \$127 million in the coming year—is in grants and subsidies. My question is whether grants and subsidies are going to

be exempted from these operating efficiencies, or is this \$16 million over four years coming out of the remaining \$16 million per year?

**The Hon. A. MICHAELS:** The grants from the organisations, the small and medium organisations?

**The Hon. J.A.W. GARDNER:** On page 29 there is \$111 million in grants and subsidies, so I imagine that includes the ongoing grants to organisations as well as grants programs and other subsidies provided. I am wondering if that budget line is exempt or is there a subset within that that is exempt from these savings?

**The Hon. A. MICHAELS:** The arts organisations program is not facing any efficiency dividends and there is new money of \$1 million of our \$2 million going straight into that program. We are working through the extra million dollars to make sure it suits exactly what the arts organisations need and want.

**The Hon. J.A.W. GARDNER:** To be clear, when you say the arts organisations grants, we are talking about things like the money that goes to the Art Gallery, the Museum, festivals, Carrick Hill?

**The Hon. A. MICHAELS:** No, they are statutory organisations. I am talking about money that goes to Restless Dance, the string quartet, all these small and medium independent organisations.

**The Hon. J.A.W. GARDNER:** If small to medium organisations' grants are quarantined from any of these efficiencies, are any of the statutory authorities I was just going through exempted as well or are they going to be making a contribution over the four years?

**The Hon. A. MICHAELS:** They will be making a contribution, but the new money that is being allocated is not part of that efficiency dividend. Mr Woolhouse might want to explain that further.

**Mr WOOLHOUSE:** The savings that are notionally allocated will be applied against the existing net cost to service that already existed. Essentially, at this point it is across the board. As we said, we will work through the detail as to where in particular it will be allocated but, notionally, it is allocated against grants and subsidies as the \$111 million line you have identified. What is not included in the savings allocation is in the new funding that is allocated. Does that clarify that?

**The Hon. J.A.W. GARDNER:** To be clear, as I understand it the new funding is a \$2 million grant that is going to the Fringe for certain purposes and a \$2 million new grants program that will go to artists developing new work. That is clearly quarantined, as new money provided. I am trying to establish what that leaves. I think the minister's earlier answer was that the small to medium companies' grants will be exempt, but is the funding for, say, the State Theatre exempt from the savings task?

**The Hon. A. MICHAELS:** The savings are going to be applied across all the grants and subsidies. We are working through the detail of where that might lie.

**The Hon. J.A.W. GARDNER:** Your answer was yes, but then you said, 'We are working through the detail and it will play across everyone.' So I just—

**The Hon. A. MICHAELS:** Other than the small to medium, and not to the new money either. That is put in the budget. So \$16 million over the forward estimates.

**The Hon. J.A.W. GARDNER:** I understood that the State Theatre was not one of the small to medium grants recipients we talked about; I understood that it was a statutory authority, but I could be mistaken. Is the State Theatre guaranteed to have no cut applied, or could they be part of that efficiency detail that is still being worked through?

**The Hon. A. MICHAELS:** They will most likely be part of that efficiency.

**The Hon. J.A.W. GARDNER:** Can I ask the same question in relation to Country Arts SA, the Art Gallery, the South Australian Museum, the Adelaide Festival Theatre, the State Opera?

**The Hon. A. MICHAELS:** They are all in the same boat.

**The Hon. J.A.W. GARDNER:** In relation to the Adelaide Fringe, while it is getting a \$2 million grant in new money for a certain purpose, it already receives a fairly substantial grant from government. Is that existing grant subject to potentially being included in the efficiency dividend?

**The Hon. A. MICHAELS:** Yes, that is. I am not sure how to explain it in terms of the efficiency and the indexation. I will say it is going through the same process.

**The Hon. J.A.W. GARDNER:** What proportion of the grants to statutory authorities does the Fringe's existing grant comprise? Maybe I could just ask a simpler question: what is the quantum of the existing grant to the Adelaide Fringe?

**The Hon. A. MICHAELS:** The total is \$4.33 million: existing is \$2.33 million and our additional \$2 million.

**The Hon. J.A.W. GARDNER:** But of that \$4.33 million, notwithstanding that the additional \$2 million is exempt, the 2.33 million it was getting before is subject to part of that efficiency dividend. Thank you. In relation to grants programs for artists, how much of the budget do they currently comprise? What is the dollar figure on those grants programs at the moment? What grants programs for artists exist within Arts SA?

**The Hon. A. MICHAELS:** It is \$10.3 million.

**The Hon. J.A.W. GARDNER:** Does that body of funding have an exemption from the efficiency process or will that be making a contribution as well?

**The Hon. A. MICHAELS:** In simple terms, everything is in, and we are working through where it needs to fit.

**The Hon. J.A.W. GARDNER:** If 19 per cent of the efficiencies required of DPC are from arts, and there is \$3 million or thereabouts to be found from this year, do you have any idea how much of that \$3 million savings will be applied to the grants programs for artists? Maybe I will ask that a different way. Are any of the artists' grants, the grants to individual artists, going to be exempt from this savings task or is all of that \$10.3 million worth of grants on the table for efficiencies?

**The Hon. A. MICHAELS:** It is all on the table. Additional money is going in, and the efficiency dividends will be worked out through the chief executive. That might not affect any of the grant programs at all; however, we are still working through all of that. Mr Woolhouse, do you want to add anything?

**Mr WOOLHOUSE:** I have not much further to add other than the savings we have allocated against the program line into the budget, as you can see on page 29. When you were referring back to it is 20 per cent of the savings task for the department, it is based on that number because the number we have allocated is the \$2.89 million. That happens to be about, as you said, 19 per cent or so of this year's number, but the arts number will stay the same with the indexation that has to be applied, and therefore that is the number that we now work through. How are we going to allocate specifically against all the different program lines, supplies and services, and so forth? That is the element that we are working through and developing in the 2022-23 state budget for the department and Arts SA program.

**The Hon. A. MICHAELS:** I cannot at this stage give you a direct answer to that question.

**The Hon. J.A.W. GARDNER:** I understand, but you will understand my interest given that the net costs of providing services, the net costs of the program, is \$113 million. The grants that you provide and subsidies you provide are \$111 million, and you have a \$3 million savings task, so clearly there is going to be some savings coming from somewhere, assuming that this is the limit of the savings required, again noting that they go up substantially next year.

I have some other questions as well, if you would like to move on to them, on the same budget line. The Illuminate Adelaide festival had three years of funding confirmed as I understand it. The second year of that festival begins in the coming days, and I know that we are all looking forward to it. Can the minister confirm that the third year of Illuminate's funding remains guaranteed for 2023, and indeed is the government looking to provide support to Illuminate as an annual festival after 2023?

**The Hon. A. MICHAELS:** Yes, that is coming through the Tourism Commission.

**The Hon. J.A.W. GARDNER:** Can I go then to page 28. In this area the other election commitment that the minister is working on is listed in the targets. It is in relation to working security, what many in the sector would describe as precarity. The target includes:

Work with the sector to address issues relating to work insecurity and income inequality for artists, including investigating the establishment of a portable long service leave scheme for artists.

Can the minister describe what form that work will take that the department is undertaking as part of this target?

**The Hon. A. MICHAELS:** Yes. The Arts SA staff are consulting with industry sectors that already provide portable long service leave schemes to see what the best way of implementing that policy is. I am waiting for Arts SA to do that work and come back to me with a way we can progress that policy in the best way possible, and if we can do something to help the work insecurity that artists face we will be very keen to see that implemented as quickly as we can.

**The Hon. J.A.W. GARDNER:** When you said Arts SA staff, presumably within the offices within this program. Will they be preparing a report, a public report, or are we talking about a brief for the minister? Are we talking about the devising of a program or legislation?

**The Hon. A. MICHAELS:** Yes, the first step is a brief to me.

**The Hon. J.A.W. GARDNER:** Given that this was obviously a commitment that Labor offered to the sector, people who were interested in this matter when determining how to vote before the last election, can the minister advise what goal needs to be achieved in order for her to consider that Labor's election commitment would have been met?

**The Hon. A. MICHAELS:** To address the issue of work security for artists.

**The Hon. J.A.W. GARDNER:** But when you say 'address the issue', are we talking about a project completed or is the work producing a brief for the minister—what was promised?

**The Hon. A. MICHAELS:** No, beyond getting a brief, yes, actually implementing it. A program will be implemented.

**The Hon. J.A.W. GARDNER:** So there will be the implementation of a program to address the question?

**The Hon. A. MICHAELS:** Correct, yes.

**The Hon. J.A.W. GARDNER:** Do you have a time frame for when you would like to achieve that?

**The Hon. A. MICHAELS:** We are probably looking at the next financial year.

**The Hon. J.A.W. GARDNER:** In the 2023-24 financial year or 2022-23 when you say 'the next financial year'?

**The Hon. A. MICHAELS:** I would like to see 2022-23.

**The Hon. J.A.W. GARDNER:** Thank you; look forward to it.

**Mr TEAGUE:** Page 29, Volume 4, in the expenses table, a question in relation to allocation of public libraries. Can the minister confirm that the \$20.7 million allocated for public libraries over five years will continue to be allocated?

**The Hon. A. MICHAELS:** At 20.7 or allocated?

**Mr TEAGUE:** I might get to that. At 20.7, for a start.

**The Hon. A. MICHAELS:** So 2022-23 has been confirmed at 20.7 and we have not confirmed beyond that.

**Mr TEAGUE:** In light of that, is there any present consideration to adjustments to the funding agreement going forward? Clearly, I can indicate that some in the local government sector have been



requesting consideration of indexation and/or a dedicated digital literacy program and/or innovation grants program caught up in consideration of that going forward.

**The Hon. A. MICHAELS:** The agreement has just been entered into between the Libraries Board and LGA for public libraries. That is the first agreement that has gone direct between those entities without the department being party to that. The funding is there for 20.7 for the 2022-23 year. Given that it is subject to future state budgets, there is nothing further we can confirm at this stage for the board.

**Mr TEAGUE:** In terms of the agreement then, minister, nothing that could give comfort to the LGA in relation to the agreement—they are just going to have to wait and see, are they?

**The Hon. A. MICHAELS:** Beyond the current agreement, bearing in mind I think the state government contribution is roughly about 20 or 30 per cent of the total public libraries. I think it is only about 20 per cent, the rest is coming from LGA. Presumably, whatever they do need to deal with, given it is only 20 per cent of their total funding, I hope they will be able to manage and we will deal with it in future years, but the agreement has been signed for 2022-23.

**Mr TEAGUE:** A question in relation to school community libraries: are there any changes that the government anticipates to funding arrangements for school community libraries as a result of the current review underway by the Libraries Board?

**The Hon. A. MICHAELS:** That might be education—is that what you mean?

**Mr TEAGUE:** Might be.

**The Hon. A. MICHAELS:** Otherwise we will take it on notice and find out.

**Mr TEAGUE:** Glad to give the opportunity. To the extent that it is relevant, you will take it on notice?

**The Hon. A. MICHAELS:** Yes.

**Mr TEAGUE:** Still at Volume 4, page 29, and in that dominant row, grants and subsidies, in relation to the Adelaide Festival: I understand there has recently been an expansion in the senior staffing profile of the organisation, with the addition of associate artistic director. Given it has been announced that Ruth Mackenzie, the new artistic director, will be commencing her role in the middle of this year and it has been reported that 80 per cent of the planning for the 2023 Festival was already completed in March, what need was identified by the board or the government that determined the requirement for this role to be created?

**The Hon. A. MICHAELS:** I might get Ms Layther to explain. She understands it, but otherwise we will take it on notice.

**Ms LAYTHER:** My understanding is that it could be related to the changeover from one director to the next, where there are people on contracts exiting the Festival with new directors being brought in. It has not been uncommon in the past to have two directors working in parallel. In the case of Neil and Rachel, we already had two working in a partnership with a new one coming in, and there is a time of overlap. I understand that is what the question might relate to.

**The Hon. A. MICHAELS:** Is there any clarification we can take on notice, or does that answer your question?

**Mr TEAGUE:** If that is the nature of it, then that is one thing. If there is an ongoing role, then I would be glad if you could take that on notice. Perhaps it might be necessary, in any event, to take on notice the quantum of the additional cost that is created by that role, whether temporary or permanent.

**The Hon. A. MICHAELS:** We will take that on notice.

**The Hon. J.A.W. GARDNER:** Can I take us to page 15, which has the investing expenditure summary. I am wondering if the minister is able to provide the time lines and expenditures for the projects that are within her purview, which I assume to be the Adelaide Festival Centre Precinct, the arts storage, the Cultural Institutions Collections Storage and the Tarrkarri Centre for First Nations Cultures. Can that be provided in terms of time lines and expenditure? What are the budgets for the

coming years beyond the 2022-23 year? I would be happy to have that now or on notice, however the minister prefers.

**The Hon. A. MICHAELS:** The completion of the Festival Centre, did you say?

**The Hon. J.A.W. GARDNER:** Yes.

**The Hon. A. MICHAELS:** That is June 2022, and for the Cultural Institutions Collections Storage it is June 2024. What were the other ones you referred to?

**The Hon. J.A.W. GARDNER:** The Tarrkarri Centre

**The Hon. A. MICHAELS:** Tarrkarri is June 2025—the estimated completion is in that quarter. Tarrkarri is estimated I think for some time in March or April.

**The Hon. J.A.W. GARDNER:** Just to clarify, we are confident that we are still looking at the middle of 2024 for the Cultural Institutions Collections and by the middle of 2025 for Tarrkarri. Is it possible to have a breakdown of the budget to be spent in each of those relevant financial years, and can I have the minister's confirmation that they are on track?

**The Hon. A. MICHAELS:** Yes, I will take that on notice.

**The Hon. J.A.W. GARDNER:** Thank you. I note that our friends from DIS have arrived. Shall we move to the DIS questions now and come back to the questions about the arts plan?

**The Hon. A. MICHAELS:** Yes.

#### **Departmental Advisers:**

Mr A. Reid, Chief Executive, Department for Innovation and Skills.

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

Ms B. Bates, Director, Creative Industries, Department for Innovation and Skills.

Ms P. Chau, Executive Director, Performance and Business Operations, Department for Innovation and Skills.

Mr M. Smith, Director, Financial and Business Services, Department for Innovation and Skills.

**The Hon. A. MICHAELS:** I will introduce the new advisers surrounding me. Mr Adam Reid is now back from the other estimates committee. Thank you; it is such a busy day for you. Mr Andrew Dunbar is the Executive Director, Innovation and Science, DIS; and Ms Becc Bates is Director, Creative Industries, DIS. Sitting behind me, we also have Ms Phuong Chau, Executive Director, Performance and Business Operations, DIS; and Mr Martin Smith, Director, Financial and Business Services, DIS.

**The Hon. J.A.W. GARDNER:** The advisers brought their own budget papers with them; I am having to jump between a few. Can I go to Budget Paper 4, Volume 3, page 180—my pre-prepared notes say so, and hopefully that is correct—the explanation of significant movements. There is a dot point under that saying the notional allocation of departmental efficiencies from 2022-23 is \$3 million. Given that page 87 of Budget Paper 5 outlines that there are similar efficiencies required of the overall department in each of the forward years to 2025-26, are you able to provide a notional allocation of what will be required of the creative industries program for the department to meet this task in each of those years?

**The Hon. A. MICHAELS:** That is being worked through by the chief executive, who is dealing with a number of balls being juggled at the moment with his department.

**The Hon. J.A.W. GARDNER:** I understand different departments are at different stages in allocating their notional allocations. I am wondering whether this department is any further along in that allocation for future years than perhaps DPC was.

**The Hon. A. MICHAELS:** I do not believe so. Mr Reid, you might answer that question.

**Mr REID:** We have provided a notional allocation for the 2022-23 budget year for the purposes of the Agency Statements, but beyond that we are still working through the allocations across the programs in the entire department.

**The Hon. J.A.W. GARDNER:** I do not think there is a reference elsewhere to it, so I assume that, although this part of the department, the program area, is assigned to this minister, we are not looking at any machinery of government changes to move it to within DPC. Will it remain with two separate departments under the arts ministry at this stage?

**The Hon. A. MICHAELS:** At this stage, but I am considering where is the best home to deal with the needs of the arts ecosystem in South Australia. We are looking at that, and I am getting some advice on that at the moment.

**The Hon. J.A.W. GARDNER:** The net budget for the program is \$18.202 million. I note that grants and subsidies within that program are \$16.597 million, a very significant bulk of that, notwithstanding a modest revenue. If there are \$3 million of savings to come, can the minister identify the reductions in grants that will be provided to each of the key organisations supported by this program, they being the SA Film Corporation, the Adelaide Film Festival and the JamFactory? You will let me know, I am sure, if there are others.

**The Hon. A. MICHAELS:** The Film Festival is getting an additional \$2 million to annualise, so half a million dollars a year to annualise. Of the \$10 million live music package, \$5 million is actually sitting in Treasury. You cannot see that in those figures because it is for the event cancellation fund. The rest of the \$5 million is there, and \$1 million of it has been allocated to 2021-22 because the support act money, \$250,000, is out the door by 30 June, and \$750,000 of some of those grants—I think it is the new improvement grants, largely, and a portion of the See It Live grants—is out the door.

So \$1 million is showing in the 2021-22 figure, \$4 million is in the 2022-23 figure and the \$5 million cancellation fund is sitting in the Treasury numbers. For a couple of those organisations, I think SAFC's agreement is until 2024 and the Film Festival has an agreement until 2025.

**The Hon. J.A.W. GARDNER:** From that, I understand that the minister in her answer prior to that last part was talking about new funding that is coming in for new purposes. The area I am interested in exploring is the existing effort of this program area on the work that was being done prior to the election. Of that, \$3 million has been allocated for departmental efficiencies. So when the minister says the SAFC has an agreement until 2024 and the Film Festival until 2025, can I take from that that those two bodies will have those agreements honoured up until the end of the agreements?

**The Hon. A. MICHAELS:** Correct.

**The Hon. J.A.W. GARDNER:** And at the end of that agreement, in 2024 and 2025 respectively, the government will offer a new agreement that may or may not reflect the departmental efficiencies that are required at the time?

**The Hon. A. MICHAELS:** Yes. That is still to be determined.

**The Hon. J.A.W. GARDNER:** That was the Film Corporation and the Film Festival. The JamFactory was the other organisation I asked about.

**The Hon. A. MICHAELS:** It is 2024 for the JamFactory.

**The Hon. J.A.W. GARDNER:** So the JamFactory, SAFC and Film Festival have their funding protected until the middle of 2024, or 2025 in the case of the Film Festival, and the Film Festival is to have that extra \$500,000 per year. What other programs, in terms of grants, are there within this program area?

**The Hon. A. MICHAELS:** The Music Development Office (MDO) is in there. They are largely music grants. There is the Robert Stigwood Fellowship project, contemporary music organisations funding that helps groups like Music SA, and there are some other smaller projects in that as well.

**The Hon. J.A.W. GARDNER:** Within that, outside of the new money coming in as identified in Budget Paper 5, are any of those existing grants, or the fellowship or the contemporary music organisations funding, quarantined from the departmental efficiencies or are they set to make a contribution towards that task?

**The Hon. A. MICHAELS:** The chief executive is tasked with doing all of that work and will come back to me with what his suggestions are.

**The Hon. J.A.W. GARDNER:** I am happy for you to take this on notice, but can we get a breakdown of how much is provided to each of those separate streams?

**The Hon. A. MICHAELS:** We can take that on notice, yes.

**The Hon. J.A.W. GARDNER:** Within that, was it music grants for artists that the minister mentioned before?

**The Hon. A. MICHAELS:** Yes.

**The Hon. J.A.W. GARDNER:** In relation to that one, if you have the number now, can I ask how much that is?

**The Hon. A. MICHAELS:** It is 4.7 for total MDO grant programs. It is a question we may need to take on notice because of the breakdown.

**The Hon. J.A.W. GARDNER:** But to be clear, those programs are all within the gamut of people who are going to make a contribution towards the \$3 million in savings.

**The Hon. A. MICHAELS:** Potentially, but the chief executive has not done that work to come back to us on that.

**The Hon. J.A.W. GARDNER:** The Adelaide Film Festival, as we said before, is receiving an extra \$500,000 per annum to support its annualisation. Is that money being provided directly in addition to their existing grant or is there a different mechanism in place to expend that money?

**The Hon. A. MICHAELS:** We are varying the existing agreement to give them that extra money.

**The Hon. J.A.W. GARDNER:** If you have it on hand, what does that make the total grant for the Adelaide Film Festival this year and next year?

**The Hon. A. MICHAELS:** The current agreement is for \$4.909 million until June 2025, and there is the extra \$2 million on top of that.

**The Hon. J.A.W. GARDNER:** The spread of that money, I assume, is done annually and the Film Festival organises itself accordingly, okay. The minister is confident that the Adelaide Film Festival now has sufficient resources to fulfil its annualisation?

**The Hon. A. MICHAELS:** Yes. In fact, I got a call from the chair Tuesday night, I think. He is very excited about what that actually means in terms of some other announcements. I will not steal his thunder but he is very excited about what that annualisation means for their organisation and what they can do with the festival. There is some news to come.

**The Hon. J.A.W. GARDNER:** They obviously have that confirmed until the end of 2025, so it will not be until then that they will be asked to contribute to efficiencies, so I am sure they will be very happy. In relation to Budget Paper 5, pages 88 to 90, which is where we look at the music measures, can you advise whether the live music grants, the grants for venues and the live music mental health program are all to be rolled out through the Music Development Office or is there another mechanism being used?

**The Hon. A. MICHAELS:** It is all through the Music Development Office.

**The Hon. J.A.W. GARDNER:** And when will those grants be rolled out?

**The Hon. A. MICHAELS:** Apart from the cancellation fund, which is within Treasury.

**The Hon. J.A.W. GARDNER:** And, indeed, the Royal Show grant, presumably.

**The Hon. A. MICHAELS:** Correct.

**The Hon. J.A.W. GARDNER:** When will those grants be rolled out and details announced?

**The Hon. A. MICHAELS:** The voucher scheme and the grants opened on Sunday for registration. They will be rolled out through the rest of this calendar year. The support act money has gone or is about to go before the end of financial year and the Royal Adelaide Show money will be out the door by 30 June.

**The Hon. J.A.W. GARDNER:** Excellent. I am happy to move back to the DPC staff.

#### **Departmental Advisers:**

Mr S. Woolhouse, Executive Director, Communities and Corporate, Department of the Premier and Cabinet.

Ms J. Layther, Director, Arts SA.

Ms B. Bates, Director, Creative Industries, Department for Innovation and Skills.

Mr M. Smith, Director, Financial and Business Services, Department for Innovation and Skills.

**The Hon. J.A.W. GARDNER:** I apologise to the DPC staff for the inconvenience. I blame the leader of the house. Can I go to page 31 of Volume 4. Country Arts SA is one of the organisations that is listed on page 31. Country Arts SA, of course, currently manages the Hopgood Theatre. Is the government proposing that it will continue to do so, or is the government looking to transfer that asset to Onkaparinga council?

**The Hon. A. MICHAELS:** I think that is a question for the Minister for Education. It is a TAFE asset.

**The Hon. J.A.W. GARDNER:** Country Arts SA obviously has a funding line in terms of managing and running the Hopgood Theatre. Is there an allocation for the 2022-23 financial year within Country Arts SA, or future financial years, to continue to manage that asset?

**The Hon. A. MICHAELS:** That will be dealt with once the Minister for Education deals with the ownership of the asset. The Hopgood money has never come through the arts budget. It has been separately dealt with through Education, I assume.

**The Hon. J.A.W. GARDNER:** Country Arts SA's budget falls within arts, as I understand it, and I further understand that grants have been provided—I have some familiarity—from the education department to Country Arts SA for several years, in addition to the revenue generated by Country Arts SA, which it applies through its budget, which is part of the arts budget. Does that line still exist within the Country Arts SA budget?

**The Hon. A. MICHAELS:** I will take it on notice and come back to you.

**The Hon. J.A.W. GARDNER:** Is the government going to proceed with the upgrade to the Hopgood Theatre that was put on the table by the former government?

**The Hon. A. MICHAELS:** To the Hopgood? Again, I will get some notes from the education minister and come back to you.

**The Hon. J.A.W. GARDNER:** In relation to page 28, we are talking about highlights. One of the highlights is in relation to progressing implementation of recommendations to government in the Arts and Culture Plan South Australia 2019-24, which is an excellent highlight, providing much interesting material to the casual viewer of parliamentary estimates. (I am informed that there are thousands.)

One of the recommendations, section 9, is in relation to the Aboriginal arts and culture strategy, which in itself is another excellent document with many tasks assigned to it. I am wondering if the minister is able to advise the committee how Arts South Australia is going and whether it is

continuing to deliver on the recommendations in the Aboriginal and Torres Strait Islander Arts Strategy for South Australia.

**The Hon. A. MICHAELS:** It is continuing with that work. The strategy was released in February this year, so that work is being done and that strategy is being implemented. There are no plans at this stage to change any of that. I do not know if Ms Layther wants to add anything.

**Ms LAYTHER:** Only that we are about to make an offer of employment to an Aboriginal person following a recruitment process into a dedicated Aboriginal role, because we believe that we need an Aboriginal person delivering that work. So that in and of itself is quite significant.

**The Hon. J.A.W. GARDNER:** There are four aspirations in the strategy and a number of more specific actions in the strategy. Regarding the officer who has just been identified and is about to be employed, will it be their task, or their task in conjunction with Arts SA, to enact the actions that are identified in the strategy? Let me ask a slight variation of the question if it makes it easier. Are there any actions that the government is not proposing to deliver on?

**The Hon. A. MICHAELS:** No.

**Ms LAYTHER:** At this point, no. It was always proposed that there would be an advisory committee that would support the prioritisation of that work, which will be undertaken in partnership with Aboriginal community members and existing funded organisations. It will be Aboriginal-led within the context of Arts South Australia and its grant and funding programs.

**The Hon. J.A.W. GARDNER:** Thank you for that. Some of the actions would not require financial provisioning, some of them would. Are there any funds that have been made available to deliver on this program, other than the employment of the new role that has been described?

**The Hon. A. MICHAELS:** Within existing resources, that work will be done.

**The Hon. J.A.W. GARDNER:** Has there been any draft budget within the DPC or within the program area to identify how much funding within existing resources over and above the 1 FTE that is being employed?

**The Hon. A. MICHAELS:** It is within the grant funding, so no, I have not received one and I do not think one exists.

**The Hon. J.A.W. GARDNER:** I will go to other aspects of the arts plan on the same budget line then, if I might. I was going to ask about recommendation 2.1, which relates to maintaining the existing grants funding structure and assessment processes, but we probably dealt with that in earlier questioning. I might skip ahead to section 4, which is a series of recommendations designed to develop and deliver a statewide digital access plan. This is something that has been talked about in the sector for a number of years. I am wondering if we can have any advice on how that statewide digital access plan and the recommendations therein are going.

**The Hon. A. MICHAELS:** We will partly answer as much as we can and we will come back to you.

**Ms LAYTHER:** There was a business case done to look into that whole area of digital access across the cultural institutions. There was funding allocated for a pilot project, which is happening at the moment, to train particularly volunteers—through the History Trust of South Australia, working with the collection of the Adelaide Festival Centre, the performing arts collection—to start that digitisation process. The institutions themselves, the library, the Museum and the Art Gallery, are continuing within a framework of digitisation to digitise their collections for access to the public.

**The Hon. J.A.W. GARDNER:** Right, sounds quite good. Can I ask a question in relation to recommendation 7. There are a couple of specific recommendations: 7.2 is to:

Devise a coordinated set of Arts and Culture targets across relevant ministries to support the delivery of programs achieving social outcomes and impacts from arts and cultural focused activity.

Does that remain a recommendation the government is supporting and proposing to deliver on?

**The Hon. A. MICHAELS:** We have not made any changes to that as yet, so yes.

**The Hon. J.A.W. GARDNER:** I am wondering how the minister has gone or does she intend to pursue those targets across relevant ministries? I am thinking of a couple of her ministerial colleagues and how they have received that suggestion and whether they have provided any response to the minister.

**The Hon. A. MICHAELS:** Not as yet; we have not done that work as yet.

**The Hon. J.A.W. GARDNER:** I look forward to hearing about it next year. In relation to recommendation 7.1, 'Develop a whole-of-government measurement framework', it particularly talks about the arts plan advisory group, which would include representatives from across government, and continuing to support the integration of the arts plan recommendations across government. Does that arts plan advisory group exist, or still exist?

**The Hon. A. MICHAELS:** Yes, it does exist.

**The Hon. J.A.W. GARDNER:** What is its status? Is it meeting regularly; is it continuing to do this work? How is it going?

**The Hon. A. MICHAELS:** We are due to have another meeting of that group. It meets roughly every six months. I have had separate conversations with a number of people on how we actually measure the value of the arts, and I would like to see some work done on that, particularly post-COVID. I think there is something beyond hotel night measurements and that sort of thing, something to really be able to measure the arts more fully in terms of what it contributes to our community. I have had those conversations as well.

**The Hon. J.A.W. GARDNER:** I could not agree more. I trust that when we are talking about measuring it beyond hotel nights we are not just talking about looking for dollar figures in different ways. You are talking about something broader and more—

**The Hon. A. MICHAELS:** Yes; more fulsome. There is much more contribution that the arts makes than a dollar figure.

**The Hon. J.A.W. GARDNER:** Section 11 talks about international engagement and 11.1 talks about the export and investment strategy, or at least recommends that one be developed for South Australia's arts and creative industries. The other two reference international students. How is this part of the program going? Does it remain a priority for the government?

**The Hon. A. MICHAELS:** Unfortunately, COVID has impacted on what we can do in that space. We expect to see that ramp up again now that people are moving across borders.

**The Hon. J.A.W. GARDNER:** I am sorry; I do not mean to be difficult but I am actually quite hard of hearing. I missed the last part of the answer.

**The Hon. A. MICHAELS:** As people are starting to move across borders, hopefully we will be able to see that work ramp up.

**The Hon. J.A.W. GARDNER:** With that in mind, and given the opportunities that are now being created for international travel, and we heard from the Minister for Tourism a couple of days ago about a couple of new air routes coming into Adelaide, will the minister commit to prioritising this work, particularly the development of an export and investment strategy, given the opportunities that may be created with increasing international travel in the coming year?

**The Hon. A. MICHAELS:** The tourism minister and I have met a couple of times on how our portfolios cross over and what we can do to improve that interaction, even from the perspective of bringing tourism into South Australia for arts and culture. That is high in our priority, and we are working really well together on that. That will be part of it.

**The Hon. J.A.W. GARDNER:** There are thousands of people—arts administrators and constituents from around South Australia—watching and some of them will be very interested in asking whether there is progress on recommendation 1.4, which relates to a business case for the viability of an acoustic venue. How is progress going in relation to that matter?

**The Hon. A. MICHAELS:** I can say that I committed to undertaking that work, so that money has been well spent to have that business case done. I think the report is due maybe December 2022; yes, at the end of this year.

**The Hon. J.A.W. GARDNER:** That is going through the Infrastructure SA process at the moment?

**The Hon. A. MICHAELS:** Yes.

**The Hon. J.A.W. GARDNER:** And we are expecting them to look at it in the second half of this year?

**The Hon. A. MICHAELS:** Yes.

**Mr TEAGUE:** One question, if I may, Chair.

**The CHAIR:** Yes. You do have a minute.

**Mr TEAGUE:** Again, I take the opportunity to thank the Legislative Council for its hospitality and indicate that I am relying on the technology provided by this council—

**The CHAIR:** This is the upper house; it is all a bit slower here.

**Mr TEAGUE:** In that sense I defer to the accuracy of the clock. I am at page 28, both highlights and targets. We can look at the dot points, but the highlight set out there is the contribution to the establishment of the Hans Heysen Museum celebrating Hans Heysen and his daughter Nora Heysen. In relation to the target for 2022-23 to continue that important work, can the minister indicate that the funding commitments by government are not going to be affected by operating efficiencies or other cuts, and that funding supporting that work is to continue?

**The Hon. A. MICHAELS:** It is commonwealth money through the Adelaide City Deal, so that will not be affected, and I think the project is due to be completed in 2023-24. We are at the design phase now, and construction milestones are estimated to occur in 2022-23 and 2023-24, so that project is happening in your electorate.

**Mr TEAGUE:** Should the foundation require more funds, then the minister I am sure will stand ready to assist, to whatever extent they may be asked.

**The Hon. A. MICHAELS:** I am sure I will be lobbied by the local member.

**The CHAIR:** Given the allotted time has expired, I declare the examination of the portfolios of Arts SA and creative industries completed. I, too, once again thank all of the public servants for their contribution to this process, also the parliamentary staff that have provided support, including Hansard, and of course our security who I always feel sorry for, sitting up there all of those hours having to listen to us.

I acknowledge the members as well, and I would acknowledge the opposition, and the respectful way they have gone about this process. It has certainly made the job of being the Chair very easy. Maybe a bit of colour and movement would have been good to get, but it certainly has been a fruitful enterprise, and I do hope the opposition was able to extract the information that they needed because it is an important part of holding the government of the day to account. With those words I lay before the committee a draft report for Estimates Committee B.

**S.E. ANDREWS:** I move:

That the draft report be the report of the committee.

Motion carried.

At 16:33 the committee concluded.