

HOUSE OF ASSEMBLY

Thursday, 29 June 2023

ESTIMATES COMMITTEE B

Chair:

Mr E.J. Hughes

Members:

Hon. D.G. Pisoni
Mr M.J. Cowdrey
Mr J.P. Fulbrook
Ms C.L. Hutchesson
Mr P.N. McBride
Mr L.K. Odenwalder

The committee met at 09:00

Estimates Vote

DEPARTMENT OF TREASURY AND FINANCE, \$175,788,000
ADMINISTERED ITEMS FOR THE DEPARTMENT OF TREASURY AND FINANCE,
\$3,557,414,000

Minister:

Hon. S.C. Mullighan, Treasurer.

Departmental Advisers:

Mr R. Persse, Under Treasurer, Department of Treasury and Finance.

Ms T. Pribanic, Deputy Under Treasurer, Department of Treasury and Finance.

Mr S. Bayliss, Chief Services Officer, Department of Treasury and Finance.

Ms T. Blight, Executive Director, Department of Treasury and Finance.

Ms T. Scott, Executive Director, Financial Management, Reporting and Policy, Department of Treasury and Finance.

Mr B. Gay, Executive Director, Commercial and Economics, Department of Treasury and Finance.

Mr G. Raymond, Director, Revenue and Intergovernmental Relations, Budget and Performance, Department of Treasury and Finance.

Mr L. Jones, Financial Services, Department of Treasury and Finance.

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 pay our respects to them and their cultures, and to the elders both past and present.

The estimates committees are a relatively informal procedure and, as such, there is no need to stand to ask or answer questions. I understand 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?

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 Answers to Questions mailbox no later than Friday 8 September 2023.

I propose to allow both the minister and the lead speaker for the opposition to make opening statements of about 10 minutes each, should they wish. There will be a flexible approach to giving the call for asking questions. 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 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, it is purely statistical and limited to one page in length. The committee's examinations will be broadcast in the same manner as sittings of the house, through the IPTV system within Parliament House and online via the parliament website.

I now proceed to open the following lines for examination: the portfolio is Department of Treasury and Finance. The minister appearing is the Treasurer. I declare the proposed payments open for examination. I call on the minister to make an opening statement, if he so wishes.

The Hon. S.C. MULLIGHAN: I do not have an opening statement.

Mr COWDREY: Treasurer, can you confirm the additional state taxation and GST revenue estimated to be delivered in FY 2-22-23 as compared to your previous budget?

The Hon. S.C. MULLIGHAN: Is that as compared to the previous state budget or the previous estimates in the Mid-Year Budget Review that was released?

Mr COWDREY: The previous state budget.

The Hon. S.C. MULLIGHAN: For the 2022-23 financial year, last year's state budget delivered in June an estimated \$7,378 million in revenue, and this year's budget estimates \$7,702 million.

Mr COWDREY: For state taxation?

The Hon. S.C. MULLIGHAN: Sorry, that is for GST.

Mr COWDREY: Yes, I am aware.

The Hon. S.C. MULLIGHAN: For state taxation, in Budget Paper 3, page 34, there is a table, 'General government sector revenue'. Taxation revenue at last year's budget is estimated to be \$5,285.8 million; grant revenue, \$13,606.7 million; sale of goods and services, \$2,923.8 million; interest income, \$143.6 million; dividend and income tax equivalent revenue, \$242 million; and other revenue \$1,585 million.

The estimated result, bearing in mind we do not have final budget outcomes for the current financial year, in this budget: \$5,611.7 million for taxation revenue; grant revenue, \$13,951.9 million; sale of goods and services, \$2,997 million; interest income, \$325.7 million; dividend and ITE revenue, \$153.2 million; and other revenue, \$1,618.9 million.

Mr COWDREY: If I direct you to Budget Paper 3, page 10, there is an easier breakdown for you, perhaps. Can you please, for the purposes of the committee, provide us the delta between the two lines, in particular taxation revenue and GST revenue grants between the 2022-23 budget and the estimated results?

The Hon. S.C. MULLIGHAN: The two lines—I did not bring a calculator in. There is probably one on your iPhone, but the figures there, as I have just gone through, in table 3.2 on Budget Paper 3, page 34—

Mr COWDREY: Are you finding it that difficult, Treasurer, to say \$650 million in additional state tax and GST revenue?

The Hon. S.C. MULLIGHAN: You have done the calculation, so you do not need it from me?

Mr COWDREY: I would just like to hear it from you, Treasurer.

The Hon. S.C. MULLIGHAN: You have already given a figure. You already have the answer you are after.

Mr COWDREY: Can you confirm that the expected total revenue across the forward estimates between your budget last year and the estimated result and projections moving forward confirms that there is an additional \$6 billion in total revenue coming into the state over the forward estimates?

The Hon. S.C. MULLIGHAN: Which budget paper are you making reference to and which page?

Mr COWDREY: Budget Paper 3, page 10, as previously referenced.

The Hon. S.C. MULLIGHAN: Budget Paper 3, page 10, provides you, as you describe, those revenue figures across those main sources of revenue and the general government sector for last year's budget in the current financial year and this year's budget in the same financial year. What the table does not refer to is the out years changes, and of course in this budget we also have the difference with an additional financial year of the 2026-27 financial year.

Mr COWDREY: So you are not aware of the projections you made in a previous year's budget?

The Hon. S.C. MULLIGHAN: Yes, they would be in previous year's budget papers, which would have been the subject of previous year's estimates processes.

Mr COWDREY: So you are not willing to provide any information?

The Hon. S.C. MULLIGHAN: I can take it on notice if you like, but if you have not done the research, if you have not looked up the previous budget papers, which were to be references for—

Mr COWDREY: I just gave you the number, Treasurer.

The Hon. S.C. MULLIGHAN: —the previous year's estimates. If you have the number, why would you ask me the question, unless you want to run down the clock because you do not have enough questions for today.

Mr COWDREY: I have plenty of questions.

The Hon. S.C. MULLIGHAN: Is that the strategy?

Mr COWDREY: We can go in this manner, if you wish.

The Hon. S.C. MULLIGHAN: So your purpose today is for me to confirm—

Mr COWDREY: If your purpose today—

The Hon. S.C. MULLIGHAN: —your use of a desktop calculator in comparing last year's budget to this year's budget; is that what we are trying to achieve here?

Mr COWDREY: Treasurer, I would be touchy too if I had managed to—

The Hon. S.C. MULLIGHAN: I am not touchy at all. I am relaxed about the budget—

Mr COWDREY: You are not touchy?

The Hon. S.C. MULLIGHAN: —I have presented. I am quite proud of it.

Mr COWDREY: You are proud of \$1.3 billion in overspend? With \$650 million of additional tax revenue coming into the state, you have managed to turn a deficit, and you are proud of that?

The Hon. S.C. MULLIGHAN: I am very proud that the strength of the state's economy, the strength of the nation's economy has delivered additional revenues into the state budget, and I am very proud of the decisions that this government has taken to deploy those additional revenues to areas of high need for the South Australian community. If you disagree with putting extra money into health, if you disagree with putting extra money into child protection, if you disagree with providing additional funds not previously budgeted for for flood response and recovery, I think that is a reflection on you and your priorities, not on the priorities of this government.

Mr COWDREY: You do not need to verbal me, Treasurer.

The Hon. S.C. MULLIGHAN: You just verballed me.

Mr COWDREY: As you are well aware—

The Hon. S.C. MULLIGHAN: This is a debate.

Mr COWDREY: —there have been overspends—

The Hon. S.C. MULLIGHAN: The rules of debate apply, and we are allowed to put our differing opinions.

Mr COWDREY: —in just about every department, and you have referenced a number of them.

The Hon. S.C. MULLIGHAN: You have put your opinion to me, and I am putting the counter opinion back. If you do not agree with additional funding for health, if you do not agree with additional funding for child protection, if you do not agree with deploying tens of millions of dollars in this financial year for flood recovery and response—

Mr COWDREY: Treasurer—

The Hon. S.C. MULLIGHAN: —that is not a reflection on me. That is a reflection on you. I am proud of this budget.

Mr COWDREY: —I ask the questions. I ask the questions in estimates—

The Hon. S.C. MULLIGHAN: Yes, and I am answering them.

Mr COWDREY: —and you provide the answers.

The CHAIR: Excuse me, can we get back to the budget lines before this estimates committee.

The Hon. S.C. MULLIGHAN: Which of the priorities do you not agree with?

Mr COWDREY: Treasurer, as you have been made aware, I ask the questions in estimates. You provide the answers.

The Hon. S.C. MULLIGHAN: Yes, and I am answering.

Mr COWDREY: No, that is a question, Treasurer.

The Hon. S.C. MULLIGHAN: So tell us. There is no question mark after that.

Mr COWDREY: As I have already alluded to, there are a number of departments that have overspent. You have referenced two.

The Hon. S.C. MULLIGHAN: Three. Three priority areas.

Mr COWDREY: In regard to operating expenses—

The Hon. S.C. MULLIGHAN: Let me go through the detail, if you like. In the previous—

Mr COWDREY: Treasurer, I did not ask you that question.

The Hon. S.C. MULLIGHAN: You would like me to answer in a way that you are solely comfortable with? Is this your expectation of estimates, is it?

Mr COWDREY: No, I would like you to answer questions when I ask them.

The Hon. S.C. MULLIGHAN: You have just said something, and I am responding to it. If you are uncomfortable with the line of questioning, I invite you to move on, but I am happy to keep talking about it.

Mr COWDREY: You have a rather unique approach to these proceedings each and every year. In regard to Budget Paper 3, page 23, you have already referenced to a great degree here this morning, and in the media, in regard to health, child protection, floods. I will certainly contend that there is a significant amount of the funds attributed to the flood relief that have been contributed to from the commonwealth and will be sought to be recouped from the commonwealth through the disaster assistance fund. In regard to every other headline agency in the budget papers, are you able to explain to the committee today why every headline agency, apart from the Electoral Commissioner and TAFE SA, have overspent this year?

The Hon. S.C. MULLIGHAN: You would also say Industry, Innovation and Science has had a significant reduction in their estimated outcome, and it reflects that across these agencies a couple of different things are happening. As I said, additional revenues that have come into the state budget since last year's budget, and indeed additional revenues that have come into the state budget since the Mid-Year Budget Review update, have provided greater fiscal capacity for the government to respond to pressing issues for the community.

I have just outlined three key areas for that—health, child protection and flood recovery—but that is not an exhaustive list. In health, for example, the projected spend for the health portfolio that was left to this government by the previous Liberal government in the previous Liberal government's last budget update in the Mid-Year Budget Review was just over \$7.2 billion.

You will see in this budget, in these budget papers, in that table you have drawn our attention to, the estimated result for Health and Wellbeing is \$8.4 billion, so \$1.2 billion more that is being deployed to the health portfolio starting in last year's budget, increasing in the Mid-Year Budget Review and then increasing in this year's budget again.

As I have said in my budget speech and as I have said publicly and at industry forums, some of which you have been present at, there has continued to be demands on the health portfolio beyond which were previously anticipated, both by the former government and by this government. We have had more activity coming into our hospitals. We have had a greater persistence of COVID, for example, and that has required us to deploy more financial resources to health.

The same extends to child protection. We have had more kids coming into state care than had previously been anticipated and we have needed to fund that. The government has already started the work of responding to various recommendations of inquiries into child protection requiring a range of other initiatives and we have provided additional resources to support that.

In flood recovery, at the Mid-Year Budget Review, we had to allocate I think it was just over \$51 million for flood response and recovery, and we have continued to deploy resources towards that purpose. In a range of other agencies, there have been additional demands which have been raised by cabinet ministers and accepted by cabinet for the deployment of additional resources because while some people might think that every area of government was adequately resourced for all of the demands and pressures that were experienced by different parts of the South Australian community that those portfolios have relevance to, I, quite frankly, would not agree with that.

If we have additional revenues coming into the budget that have given the government additional financial flexibility to respond to those pressures in the community, then the government is entitled to deploy additional financial resources. You can engage in hyperbole and say that this is a blowout, but what this reflects is that the government has, fortunately, had the additional financial capacity to take decisions to deploy additional resources to areas of need in government and I think

that is a responsible response from the government. I think that is a good way for a government to respond to areas of community need.

The other area which is reflected in these papers, which is not as dominant in terms of how impactful it has been, is the reallocation of resources from some agencies to other agencies, reflecting shifts in responsibilities between those portfolio areas. While I have highlighted one agency in particular where there has been a significant change in the level of resourcing from the previous year's budget to this year's budget, that is also the case in a number of other areas across agencies.

You can refer to it in the hyperbole that you do, but this government I think quite proudly has taken decisions to make more resources available for areas of government and community need because we have had greater financial capacity to do so.

Mr COWDREY: Where do you draw the line, Treasurer, if every department wants more? It is your job as the Treasurer to show fiscal responsibility. When there are additional pressures, which there are every day in government, which were faced by every Treasurer before you, where do you draw the line? If there is money available we spend it; is that what you are advocating for as the government's default position?

The Hon. S.C. MULLIGHAN: You would like some fireside advice from me about how you should contemplate your potential responsibilities, should you ever occupy this chair? Is that what you are after?

Mr COWDREY: You can be facetious if you like.

The Hon. S.C. MULLIGHAN: I am not being facetious. You are asking me for some advice about how you should go about conducting yourself. I think, in broad terms, if the government is in receipt of additional revenues, then there is a balance to be achieved by making sure that the expectations of the community, so far as is practical and so far as is responsible, can be met.

I do not think anyone reasonably has the position that, while we have a national GP crisis and activity levels are continuing to escalate year on year beyond previous expectations in our hospitals and in our emergency departments, we should maintain the previous position of the previous Liberal government and seek to sack doctors and nurses. Instead, with the additional financial resources that we have had—the additional financial flexibility—we have sought to increase funding to those hospitals.

I do not think it is really anyone's expectation in the community that, if the Department for Child Protection is finding it necessary to remove kids from families and take them into state care, the state budget should not provide the resources to adequately care for those children that have been removed from their families. The alternative proposition—

Mr COWDREY: Treasurer—

The Hon. S.C. MULLIGHAN: I have not finished my answer. If the alternative proposition from you is that those areas of need are not funded, well, quite frankly I disagree. We were faced with growing warnings and reports from our emergency services and from the environment department that we were going to have a significant flood event. Initially, those warnings—if I remember our Emergency Management Committee meetings accurately—were not fully cognisant of what the extent of the river level rises was going to be, and hence we have continued to step up the amount of support that we have provided for Riverland communities.

While those three are, I guess, the headline recipients and the recipients of the greatest amounts of additional resourcing in the budget, it is true to say that they are not the only areas of government that have received additional resources.

Mr COWDREY: It is every agency.

The Hon. S.C. MULLIGHAN: Sorry?

Mr COWDREY: It is just about every agency that is overspent.

The Hon. S.C. MULLIGHAN: That is right. If you have the additional capacity to provide additional supports for those areas, if you have additional capacity to provide funding for areas of

need, then I do not think it is unreasonable that the government turns its mind to it. Your question is: where do you draw the line? How do you know that you are responsibly meeting those requests and not just saying yes to everything? I think you are seeing governments around the country take different views about how they try to manage the impacts on their balance sheets, for example.

Again, if we take the last budget position from the previous Liberal government that was reported, the 2021-22 Mid-Year Budget Review, again I do not have that in front of me, but my recollection is that non-financial public sector debt at the end of this financial year at 30 June was projected to be just over \$27.5 billion. You will see in these budget papers that forecast debt for the same financial year is \$26 billion. So we have deployed additional financial resources for these agencies to meet areas of community need. We have also managed to ensure that, overall, the budget's position can be improved and strengthened.

Mr COWDREY: Were all budget contingencies exhausted in FY 2022-23?

The Hon. S.C. MULLIGHAN: Which budget paper are you looking at?

Mr COWDREY: Budget Paper 3, page 23.

The Hon. S.C. MULLIGHAN: Where is the contingency line? Are you referring to Budget Paper 4, Volume 4, Department of Treasury and Finance, the consolidated account contingency line?

Mr COWDREY: There are contingency accounts held across multiple agencies.

The Hon. S.C. MULLIGHAN: Would you like me to direct the committee's attention to the correct budget line? Would that help?

Mr COWDREY: Treasurer, we can do this whichever way you would like.

The Hon. S.C. MULLIGHAN: Sure, I am just trying to help the committee. Would you like me to direct the committee's attention to the appropriate budget line in Budget Paper 4, Volume 4? In Budget Paper 4, Volume 4, page 176 we have the three contingency provision lines which cover employee entitlements, investing contingencies and supplies and services. Obviously the end of the financial year is close but not yet upon us and we do not have a final reconciliation of the expenditure of those contingency provisions, but the advice that the budget has to date is covered in those three lines where you will see the changes between budget and the estimated result.

I suspect in August/September we might have the final budget outcome which will include the final allocations against those three results, but you will see across those three lines there are significant movements between the employee entitlements, which is a change from \$41.08 million to \$66.6 million; the investing contingency from \$542.9 million to \$73.2 million; and the supplies and services from \$278.6 million to \$136.5 million.

Mr COWDREY: In regard to Health and Budget Paper 3, page 23, again in the forward budget in terms of operating expenses, you reference the activity assumptions in Health before. Are you confident that you have the activity assumptions assessed correctly this year and will Health meet their budget?

The Hon. S.C. MULLIGHAN: We have set these budgets based on the best information that we had at the time for putting the budget together, bearing in mind of course that the government usually settles the budget a number of weeks before the actual release of the budget so in many ways the actual final outcomes of these estimated results are not known until several weeks after the end of the financial year, as I am sure you can appreciate.

We have made our best estimate according to the information that we had from SA Health at the time. That is not necessarily just the additional activity growth and the additional expenditure levels leading up to the point in time that the government settled the budget. We also try to make an allowance for the period of time between settling the budget and the end of the financial year, for example, and then of course understanding how that may extrapolate out across the remainder of the forward estimates.

In that respect, we feel that these estimates are based on the best and most current advice that we had at the time, but we are in a similar position in one respect to SA Health and to previous

governments for many years—but particularly over the last three or so years as the health system has been dealing with COVID and, more recently, in the last two years as the health system has been battling the further pressure from a lack of access to the primary healthcare networks and the lack of access to GPs. We have been continually having to re-estimate how much activity is coming in through the front doors of our hospitals because of the pressures of both increased activity levels and persistent COVID.

I understand we have had a historical average of activity growth of approximately 2 per cent per annum. There have obviously been much higher levels of demand not just in this current financial year but in previous financial years. We have tried to recalibrate our expectations and how we have budgeted for it in line with those high levels of demand, but I do not think anyone can guarantee exactly what numbers are going to be coming in through the front doors of the hospitals.

The federal budget, for example, has tried to intervene in how it funds and supports primary health care by tripling the bulk billing incentive, trying not only to incentivise GPs to stay in that area of the healthcare system but also to encourage medical graduates to consider being GPs because they know that, if people feel that they need medical attention and they cannot get to their GP, they are going to end up in our hospitals. While one perspective might be, 'Isn't that a good thing for the federal government? They are going from fully funding that healthcare attendance to only partially funding the attendance in a hospital,' I think everybody realises that, when someone turns up to hospital, that is a far more costly medical intervention for that person than if they were in a GP clinic.

I hope that those interventions, amongst others in the federal government, and the strategies we are putting in place in the South Australian health system pay dividends, but time will tell, and I cannot give any sort of guarantee about what activity levels there are going to be in our hospitals because, to a large extent, it is out of the state's control.

The CHAIR: Before you move on to your next question, we did move into questions very quickly and I did not give the Treasurer the opportunity to introduce his advisers. Would you like to do that now?

The Hon. S.C. MULLIGHAN: Sorry, that is my fault. To my left are Tricia Blight, the Executive Director of Budget and Performance, and Tammie Pribanic, the Deputy Under Treasurer. On my right is Rick Persse, the Under Treasurer. I can introduce others as they come to the table for subsequent times of questioning, if you like.

Mr COWDREY: In regard to the same table, Treasurer, do you believe there are any structural issues within the budget that need to be addressed moving forward?

The Hon. S.C. MULLIGHAN: Do you mean in terms of the number of agencies? How do you mean in particular?

Mr COWDREY: Structural issues in terms of expenditure across departments.

The Hon. S.C. MULLIGHAN: As I said when I first became Treasurer, Treasury have provided me some medium-term modelling about what the state finances would look like beyond the forward estimates if the state government had continued spending at the rate that had been incurred by the previous Liberal government. We made it clear that that was unsustainable.

While we have been able to deploy additional resources because of additional revenues coming into the budget, as I said yesterday at the UDIA function, which I think you were present at, we cannot assume that the state's economy is going to continue performing as strongly as it has in recent months. It is pretty clear that the national economy is not going to continue performing as strongly as it has in recent months, either. While the national economy is in large part driving additional GST revenues to states and territories, including South Australia, and the state's economy is delivering additional revenues through higher payroll tax receipts and so on, we cannot assume that that rate of revenue growth is going to be sustained on an ongoing basis.

That is why in this budget you will see that the economic growth forecasts have been reduced. Our revenue growth forecasts and our overall revenue forecasts have been calibrated in conjunction with those economic forecasts. While we have been able to increase resources to those agencies that have pressures on them, we have had to limit it to the extent that the budget can still

get back into surplus after several years of recording deficits and forecast growing surpluses across the forwards.

I agree, I guess, if the proposition behind your question is: can we continue to ratchet up expenditure to the extent we have been able to do in this financial year on an ongoing basis, I think the short answer is that I do not think we can, and that is why the budget does not anticipate that we do.

Mr COWDREY: If we go to workforce summary, and changes, in particular on page 141, Budget Paper 4, Volume 4, it references the Commercial and Economics Hydrogen Group being shifted into the Office of Hydrogen Power SA. What was the original FTE count of the Commercial and Economics Group within Treasury, and how many remain after that transfer?

The Hon. S.C. MULLIGHAN: I will take it on notice to provide you the specifics, but essentially the previous government had released an expression of interest over the broader land area around Port Bonython, and part of the Commercial and Economics team was running that process. They have continued to maintain responsibility for that, as in those people have continued to maintain responsibility for that.

Given that settling happens—which is probably of direct interest to you, Chair—and given the correlation between releasing that land to the market and what the state is trying to achieve in fostering a hydrogen industry, those people in the Commercial and Economics team, as you say, have been transferred to that other area, which I think is an attached office to DEM. I think, roughly, we have gone from about 15 staff, and I am not sure if that is FTE or headcount, maybe down to half or just less than half of that. I will get you those specific figures once I can confirm them.

Mr COWDREY: Shifting tack to Budget Paper 3, page 10, and contained within total expenses moving forward, you made reference in question time yesterday to an allocation having been put aside for the university merger. Are you able to give us an indication of the quantum of money that has been put aside for that merger?

The Hon. S.C. MULLIGHAN: Not at this stage, no.

Mr COWDREY: You are not able to indicate whether it is in the band of \$50 million to \$100 million, whether it is in the band of \$100 million to \$200 million, if it is in the band of \$200 million to \$300 million, or if it is roughly \$400 million?

The Hon. S.C. MULLIGHAN: No, I am not able to give an indication. The reason is that the government has taken the view that, if the universities resolve amongst themselves separately that they want to pursue a merger, the government's view is that in a range of limited ways it would be prepared to find ways to support that, but we are not at that juncture yet, no decision has been taken and it is open to the government to not provide support to those universities if they do not decide of their own volition to merge.

That is why we have not provided a specific funding line in the budget for this. We do not want to, I guess, signal broadly what appetite the government may have to support a voluntary merger. Our view about supporting a merger in the future, if it is not voluntary, may change. That is why we are not disclosing in what way we might be supportive and what quantum of funding that might involve.

Mr COWDREY: Sorry, did you just say that an involuntary merger was on the cards?

The Hon. S.C. MULLIGHAN: What we have said, consistent with the Premier's comments yesterday, is that should the universities voluntarily, of their own volition, decide to pursue a merger, terrific. It is open to the government then to find ways to support that effort, and we feel comfortable that the budget has sufficient capacity within it for a range of measures that can support that merger.

If they do not decide to voluntarily merge then, as the Premier said yesterday, we will seek to re-establish a merger commission to find ways in which the universities can merge. In that event, if that is necessary, we may change our view about to what extent we provide ways of supporting a merger. So that is why we have not been specific about in what way we might support a merger and to what extent that would have an impact on the state's finances.

Mr COWDREY: Can you rule out that there is any capital component being considered as part of that allocation that has been put aside?

The Hon. S.C. MULLIGHAN: I am not making any comments about how we might support the merger, save for the question that the deputy—

Mr COWDREY: So there is a capital component?

The Hon. S.C. MULLIGHAN: Save for the comment that I made yesterday in question time that the state does not believe it would have a role in funding expenditures that would be incurred by the universities for things like staff redundancies, for example, because that is not what we would see as our role. In fact, we would need to—

Mr COWDREY: Do you have a location in mind for the new building?

The Hon. S.C. MULLIGHAN: I am sorry?

Mr COWDREY: Do you have a location in mind for the capital spend?

The Hon. S.C. MULLIGHAN: For what capital spend?

Mr COWDREY: The one that you have not ruled out?

The Hon. S.C. MULLIGHAN: Right, yes. I have not also ruled out establishing an Orlando-like space base and building a rocket with taxpayer funds with the name of the new institution and launching it towards Jupiter, either.

Mr COWDREY: You did cancel the space park down at Adelaide Airport.

The Hon. S.C. MULLIGHAN: I am sorry?

Mr COWDREY: You did cancel the space park down at Adelaide Airport.

The Hon. S.C. MULLIGHAN: I cancelled the space park down at—

Mr COWDREY: Adelaide Airport.

The Hon. S.C. MULLIGHAN: I cancelled the space park down at Adelaide Airport.

Mr COWDREY: You took the funding away.

The Hon. S.C. MULLIGHAN: So me, as Treasurer, cancelled the funding down at Adelaide Airport. Is that your statement to the parliament?

Mr COWDREY: The funding has been removed and reinstated to separate industry support for the space sector. That is what your budget paper reads.

The Hon. S.C. MULLIGHAN: Right, and so the allegation is that I cancelled the proposition at Adelaide Airport?

Mr COWDREY: Pardon me? No, the proposition was put to you whether the funds have been diverted, Treasurer.

The Hon. S.C. MULLIGHAN: If we are changing tack, if we are changing the question, I am happy to go into the detail—

The CHAIR: If we are going in this direction, what is the budget line?

Mr COWDREY: That is alright. Let's shift to the same budget line in regard to the allocation for Gather Round. Does the reported \$100 million fee associated with being payable to the AFL to secure Gather Round sit as a contingency within Treasury, or where does it sit?

The Hon. S.C. MULLIGHAN: I cannot make a comment about the speculation about the fee necessarily, and I think just about everyone understands why that is a commercially sensitive figure. So while you may speculate about it, I do not make any comment as to whether it is \$1 or whether it is an amount higher than that.

Mr COWDREY: I think we can safely say it is higher than that, Treasurer.

The Hon. S.C. MULLIGHAN: Yes, it could be; it could be \$2, that is true. It probably is not, but it could be. The way in which we provide funding for that is through an appropriation to the responsible department, which I think is the Department of the Premier and Cabinet. That would occur for the financial year when any funds need to be paid for that event. In terms of how they pay that, that would be a question that would need to be taken up with Department of the Premier and Cabinet and the Premier.

Mr COWDREY: In regard to Budget Paper 1, page 13, where you have outlined the Riverland flood relief programs and funds, are you able to confirm for the committee how much has been allocated for each fund or program and how much has been exhausted or spent out of each fund and program? Would you like me to run through one by one?

The Hon. S.C. MULLIGHAN: You can run through it, but I suspect you do not have the detail, so it might be more helpful to the committee if I do. The different assistances that are provided under the package that had been announced by the government are personal hardship emergency grants and to date we have spent \$411,000 on that.

Mr COWDREY: What was the total value of the fund?

The Hon. S.C. MULLIGHAN: It is \$194 million. For rental assistance—

Mr COWDREY: No, for that particular project, Treasurer.

The Hon. S.C. MULLIGHAN: I will just go through it and I will come back to you. For rental assistance, which is up to \$2,000 for singles and \$5,000 for families, expenditure to date is \$258,000. The Generator Grant Program is \$537,000. The Business Early Closure Grant is \$1.77 million. Financial counselling is \$949,000. The Business Levee Embankments Remediation and Construction Grants are \$962,000. The Business Levee Embankment Engineering Grant support is \$14,000. The levee works expenditure to date is \$10.7 million. The fee waivers for houseboat and tourism operators is \$235,000. The houseboat moorings and stormwater pumping support payments are \$501,000. The Primary Producer Irrigation Infrastructure Grants are \$2.259 million. Purchases of additional sandbags is \$4.835 million.

Tourism recovery and support, which includes the voucher campaigns, is \$2.066 million. The Community Recovery Fund support is \$869,000. The funding for the Community Recovery Coordinator, which is Alex Zimmermann, is \$152,000. The mental health support package is \$889,000. I do not have a figure as yet for infrastructure remediation.

In terms of other assistance that was subsequently announced on 3 January, legal assistance services was \$250,000 for legal advice and support to the communities. The Essential Services Reconnection Property Assessment Program was \$265,000. The Coordinated Waste Management Program is \$14 million, which is an estimate to the end of the financial year, not necessarily what has been incurred at the time these figures were put together. The Small Business Recovery Grant is \$801,000. The Primary Producer Recovery Grants are \$4.119 million and the blackwater allocation, which was for fish clean-up, is \$230,000.

In terms of some of the other expenditures, \$1.5 million was spent on booking short-term accommodation by the South Australian Housing Authority, \$1.42 million has been expended to date on Small Business Industry Support Grants, \$100,000 has been spent on the primary industries' family and business support efforts from specifically the Department for Environment and Water. The council disaster operations funding that we provided to the council is \$3.941 million. The marina mooring strengthening expenditure is \$68,000.

The travel assistance payment, which was the additional payments we made for people on low incomes who did not have access to their regular ferry services, is \$149,000 to date. There was an allocation for fire service false alarm waivers. I do not have any details on that; that may indicate that that has not been accessed as yet. The land tax, stamp duty and emergency services levy relief: we have had \$139,000 of relief from those liabilities approved to date. Road repairs for DIT: \$10.59 million has been spent to date. I do not have estimates for private Crown land licence fee waivers yet from the Department for Environment and Water.

I do not have an estimate as yet for the tourism recovery further round. The South Australian Housing Authority reestablishment grants: \$241,000 has been expended to date. I do not have an estimate to date for the Aboriginal heritage support payments. The additional support for River Murray offices for members of parliament is additional staffing resources for the two local MPs up there. Additional funding has been approved, but I do not have a final figure because those staff have been extended to the end of this calendar year.

They are all of the expenditures to date. In many areas there are significant expenses which are still to be incurred, in particular road reinstatement and recovery but also waste removal. For any of those programs that I have gone through which are subject to, underspends is not the right word but where we have allocated less money than we thought we might have ended up allocating, the government is still to consider some of the reinstatement demands which the community are going to have, in particular on levees. So we may end up spending a lot more in some areas than we thought, even though there has been potentially a lower take-up of some of the supports than what we had originally anticipated.

I am hoping that by the end of this calendar year, and perhaps as we put together the Mid-Year Budget Review, I will have a much clearer picture on how we are going with the expenditure of the \$194 million, but I should foreshadow now that there are likely to be significant reallocations within some of these expenditure lines to make sure that we have funding available for those emerging areas of pressure. That example I gave of levees but also road reinstatement and waste removal are likely to be the three key areas.

Mr COWDREY: Treasurer, taking you to Budget Paper 5, page 54, can you explain the process undertaken to award the Croatian Club with a grant through the budget process?

The Hon. S.C. MULLIGHAN: I would have to take that on notice and probably refer that to the agency that was involved in that discussion. It was not a process that was superintended by Treasury and Finance, but I will see what details I can get and make those available.

Mr COWDREY: So you have no idea whatsoever whether it was conducted through an open and competitive process?

The Hon. S.C. MULLIGHAN: It was not a process that was managed by the Department of Treasury and Finance, so I did not have a direct involvement in it. I will see what details I can find for you, and I will bring that back in a subsequent response.

Mr COWDREY: Who approved the payment, Treasurer?

The CHAIR: I think this comes under Rec and Sport, so you might want to—

Mr COWDREY: The budget measures are approved by Treasury, Chair.

The Hon. S.C. MULLIGHAN: I am advised that in the Budget Measures Statement it comes under the Department for Infrastructure and Transport, so, as I said, I will find out what I can and bring you back those details.

Mr COWDREY: Do you approve the budget measures, Treasurer?

The Hon. S.C. MULLIGHAN: The budget went to cabinet, so all of cabinet has a collective role in approving all of the measures, not just in Budget Paper 5 but in all of the other budget related parameters, so, yes.

Mr COWDREY: So there was no discussion in that paper as to whether it was an open and competitive process? That detail was not something that you sought to identify when it went to—

The Hon. S.C. MULLIGHAN: I am not going to comment on what detail went to cabinet, no.

Mr COWDREY: Did any members of cabinet or staff declare conflicts of interest throughout the decision-making process in regard to that grant?

The Hon. S.C. MULLIGHAN: I am not going to discuss any detail about what was presented to cabinet or the deliberations of cabinet.

Mr COWDREY: A rather similar organisation offered the same opportunity to make submissions for funding in this regard.

The Hon. S.C. MULLIGHAN: As I said, it has not been a process that the Department of Treasury and Finance has been involved in. We did not have a role of superintendents or management of the process. You will see in the Budget Measures Statement it is specifically listed under a different department, so I will see what—

Mr COWDREY: Yes, but you are the Treasurer. Are you comfortable that the process was undertaken in a way that you were happy to support?

The Hon. S.C. MULLIGHAN: I am happy to give you some—

Mr COWDREY: You said cabinet has proved it—

The Hon. S.C. MULLIGHAN: Yes.

Mr COWDREY: —so it is a yes or no question.

The CHAIR: And argument. It opens up absolutely everything. Can we go back to budget lines that we are discussing at the moment.

The Hon. S.C. MULLIGHAN: Perhaps I can answer the question like this: all of the measures in the Budget Measures Statement have been approved by cabinet, so there is a lawful basis for those allocations of funding, and you will see that—

Mr COWDREY: I did not ask if it was lawful. I said: are you happy with the process that was undertaken?

The Hon. S.C. MULLIGHAN: Yes, I am happy it is lawful, and once cabinet makes a decision funds are then allocated, funding is appropriated to that agency, and expenditure authority is lawfully given to that agency to give effect to that decision that cabinet has made. I am comfortable that cabinet has met its responsibilities, and while I am not up to speed with the progress of that particular grant, whether it has actually been affected yet—

Mr COWDREY: You do not ask questions about the process whatsoever?

The Hon. S.C. MULLIGHAN: I do not answer questions about cabinet processes, information that was provided to cabinet or the cabinet deliberative process because there is a longstanding convention in executive government and in the Westminster parliamentary system that those discussions and those deliberations are sacrosanct.

Mr COWDREY: I will move on to Budget Paper 4, Volume 4, page 159, how many staff, as of today, are employed within Electorate Services?

The Hon. S.C. MULLIGHAN: In the Electorate Services unit within Treasury?

Mr COWDREY: Yes.

The Hon. S.C. MULLIGHAN: I am advised that on page 159 of that same Budget Paper 4, Volume 4, we have an estimated result of 38.6 FTEs.

Mr COWDREY: Treasurer, Mr Paul Tatarelli was a well-respected public servant, roundly regarded as being fair and decent, and at all times having applied impartial judgements relating to electorate office and global expenditure determinations. We have some concerns in regard to the circumstances of Mr Tatarelli's departure. Are you able to provide any more detail to the committee?

Ms HUTCHESSON: Which budget line?

Mr COWDREY: The same budget line.

The Hon. S.C. MULLIGHAN: I was not involved, as you can imagine, in any arrangements of the change of employment of Mr Tatarelli, but I am advised by the Under Treasurer and the Deputy Under Treasurer that Mr Tatarelli was looking for a change in role. He is still employed within Treasury and Finance and has taken on another role.

Mr COWDREY: Who is replacing Mr Tatarelli?

The Hon. S.C. MULLIGHAN: I am advised that the role has been advertised and the process of filling that role is ongoing.

Mr COWDREY: Did Mr Tatarelli apply for his new position within Treasury, and was it advertised?

The Hon. S.C. MULLIGHAN: My understanding is that there was a vacancy in the unit within Treasury that he has transferred to and it was a lateral transfer. I am not sure what amount of detail I can provide in terms of if there were other applicants and so on. You can appreciate that human resources matters of this nature are reasonably sensitive. I am happy to take the matter on notice and see what information I can provide, if that is of interest to the member.

Mr COWDREY: When you say the position was empty, was that position created for Mr Tatarelli, or did it exist prior to him taking it on?

The Hon. S.C. MULLIGHAN: My understanding is that SAFA had been looking for additional resources to assist them with work or higher workloads in some areas and that that is the range of work that Mr Tatarelli is undertaking in his role.

Mr COWDREY: Was his departure in any way related to the disagreement with the Treasurer's office regarding the global compliance classifications of teddy bears?

The Hon. S.C. MULLIGHAN: No.

Mr COWDREY: Did Mr Tatarelli ever raise any other concerns with you in regard to issues of compliance with global allowance expenditure?

The Hon. S.C. MULLIGHAN: Yes.

Mr COWDREY: Were there issues that he had a disagreement with the Treasurer's office about in regard to the classification?

The Hon. S.C. MULLIGHAN: I would not characterise it like that. I think it is the role of that position, whether it is Mr Tatarelli or otherwise, to provide not only information but I think there is also a reporting regime where members of all sides of politics may be incurring expenses against their global allowance, which are not specifically covered for by the guidelines, seeking a determination of the Treasurer of the day as to whether that is appropriate. For example, it has only been since the election of this government that the shopping bags that are distributed by nearly all MPs have been formally allowed under the global allowance guidelines.

I think I am correct in saying that is a change that I instituted since becoming Treasurer, as well as making it clear in the global allowance guidelines that members should not be using their global allowance to make gifts of flowers, which a number of MPs had. In the past, for example, whether it was former Treasurer Rob Lucas or former Treasurer Tom Koutsantonis, they were receiving minutes from either Mr Tatarelli, or his predecessors or subordinates to Mr Tatarelli, drawing those sorts of expenditures to the Treasurer's attention, seeking approval for those expenditures because they were not specifically provided for by the global allowance guidelines.

Whether it has been Mr Tatarelli or other people within electorate services, or whether it has been Mr Tatarelli's predecessors, I maybe would not go so far as to say it is a regular occurrence but it is a not infrequent occurrence for approvals for these expenses to be sought by the Treasurer of the day where the global allowance guidelines do not specifically allow for or do not specifically preclude expenditure on certain items.

Mr COWDREY: Let me just be clear from the answer that you provided: you have made it clear that flowers are not sufficient to be gifts under the global allowance guidelines but teddy bears are?

The Hon. S.C. MULLIGHAN: I do not have it in front of me but you can use your global allowance for wreaths—so for an ANZAC Day service—which may or may not be floral. Sometimes they are laurel leaves, sometimes MPs have flowers on their wreaths, and we have tried to clarify. Again, if I get any of this incorrect, I will bring it back but my recollection of the changes that have been made is to specify that for flowers, wreaths are okay, because I think we all understand that

local members have a usual role in laying wreaths, for example, at ANZAC Day dawn services at their local RSLs, etc., but the gift—

Mr COWDREY: No—

The Hon. S.C. MULLIGHAN: I am finishing the answer. The gifting of flowers—for example, MPs in the past have got a bouquet of flowers or a bunch of flowers that they have taken to somebody who is celebrating a significant birthday or a significant milestone—we have tried to clarify that that is not what the use of flowers should be for even though MPs have used their global allowance in the past and had that expenditure approved in the past because it was not specifically precluded by the global allowance guidance notes.

With the teddy bears, for example, there was no specific guidance in those guidance notes about whether, in providing awards to school students, you could not make that in the form of a teddy bear. In that case, for young primary school students, while it might have been envisaged that an award might be a certificate—framed or otherwise—or some sort of trophy or medal or something like that which previously had been given by MPs, this was the first time that an MP had chosen to gift a soft toy.

As I explained at the time, including on morning radio, I have to make sure that expenditures in this area are done in accordance with the rules. If the rules are silent on expenditures, it does not provide a basis for me or for treasurers to say that that expenditure cannot be incurred. That is why we have updated the guidance notes. In fact, I think former Treasurer Lucas was looking at updating the guidance notes; I cannot remember whether he did or not. In almost every term of parliament there is some change to the guidance notes, as new and different types of expenditures are incurred by members. Some of those are allowed and specifically provided for, and some of those are specifically precluded.

Mr COWDREY: I will have to keep that in mind in the future if I go to a school. Giving a flower is no good; giving a teddy bear is fine. Moving to travel documents: why did the Treasurer not provide his proactive disclosure for close to six months but then decided to release it yesterday, in regard to Budget Paper 4, Volume 4, page 140, Ministerial—

The Hon. S.C. MULLIGHAN: I was not aware that was the case but I can see what information I can find and bring it back to you.

Mr COWDREY: Do you think you have complied with PC35 in regard to the timeliness of your proactive disclosures and setting a good example for other ministers?

The Hon. S.C. MULLIGHAN: I was not aware, as I said, that that was the circumstance of the provision of that information.

Mr COWDREY: It just happened to be put up yesterday, the day before estimates.

The Hon. S.C. MULLIGHAN: You might recall—

Mr COWDREY: It was circumstance.

The Hon. S.C. MULLIGHAN: You might recall what I was doing yesterday: I was answering questions in question time. I was not sitting at a computer, loading information onto a website.

Mr COWDREY: When did you intend to publish them, then?

The Hon. S.C. MULLIGHAN: While it is my responsibility as the minister to ensure that this information is published, it is not actually me that does the publication. What I have already indicated I will do is find out what information I can around the circumstances of its publication and bring that back for you.

Mr COWDREY: Why did the Treasurer not release his travel-related documents when they were first sought via a freedom of information application? They have since been released after an external review with the Ombudsman.

The Hon. S.C. MULLIGHAN: Again, while you may have the impression that I as Treasurer or that ministers in general are personally responsible for the management of freedom of information applications, that was not the case in this regard. We have a delegated—

Mr COWDREY: You are the lead officer, are you not?

The Hon. S.C. MULLIGHAN: Yes, but I have staff who do that for me, and I take their judgement into account in the event that I am the one who signs off on a determination to my office.

The CHAIR: Could you specify which volume and which page and what budget line we are referring to?

Mr COWDREY: This is in regard to the electorate, the ministerial office expenses, page 140, Budget Paper 4, Volume 4, as cited already. In those documents that the Treasurer released, it was revealed that your original plans were to travel to San Francisco, New York and London. Why did that change, Treasurer?

The Hon. S.C. MULLIGHAN: For a range of reasons. I do not have the details in front of me but travel dates change regularly when ministers are planning their travel, because obviously we have a range of responsibilities and travel needs to occur in amongst those responsibilities—so a change in travel dates. There had been an enormous amount of work which had been undertaken by—

Mr COWDREY: The dates were roughly the same, Treasurer.

The Hon. S.C. MULLIGHAN: I have not finished answering the question. Maybe if you listen to the answer, you might have an indication as to what informed the changes to the plans. The change of dates might have informed that. As I was in the middle of saying, an enormous amount of work went in particularly through the government's travel agency—QBT I think it is—to come up with dozens and dozens and dozens of different flight options, because while we were—

Mr COWDREY: Because none of them were Qantas?

The Hon. S.C. MULLIGHAN: No, we looked at both Qantas and non-Qantas flights because of the expense of those and trying to find not only the right balance between the cost of flights but also the cost of flights and how it lined up with the dates that I was available to travel and the itinerary that would be forming part of that travel. There had been many different iterations of this trip. In fact, I had originally planned to travel in November 2022 when flights per person were, I think, approximately \$9,000 or \$10,000 higher per person. So we had put an extensive amount of effort into this trip to make sure that we could both achieve what we were hoping to, going and meeting—

Mr COWDREY: Which was what, Treasurer?

The Hon. S.C. MULLIGHAN: —face-to-face with the ratings agencies, leading investment agencies that conduct work on behalf of the government, but also speaking to a range of financial institutions about what their perspective of South Australia was.

Mr COWDREY: They moved from London to New York?

The Hon. S.C. MULLIGHAN: Are you referring to the Bank of America, that I met with? They have not been very big in London for some time. Any other interjections, or did you want to listen to the answer?

Mr COWDREY: You can continue.

The Hon. S.C. MULLIGHAN: Thank you. So for a range of financial institutions, their perspective of South Australia. As you might appreciate, this government is very proud of the progress we have made as a state since 2002 in our global leadership on renewable energy and continuing that with our plans for a hydrogen industry in South Australia. As global financiers and also shareholders generally across listed companies are increasingly pressing companies to conduct their operations in adherence to ESG principles, South Australia has a particularly good story to tell, so that was part of it.

Also understanding the financial institutions' perspective on the United States economy and how that might impact the global economy and also the Australian economy as well. Then, of course, meeting with ratings agencies to ensure that we had a good relationship, given that face-to-face interactions were necessarily curtailed over the previous couple of years with COVID and also meeting with our lead reinsurance provider, Aon, directly.

This was to talk about not only their perspective on the global reinsurance market and how that might impact the costs that we have in our reinsurance activities but also the additional efforts that those reinsurance agencies are putting into risk identification and how jurisdictions such as South Australia can go about assessing, reporting and where possible mitigating against those risks that impact on our insurance premiums.

Mr COWDREY: Treasurer, did you stay at an Airbnb while in the United States?

The Hon. S.C. MULLIGHAN: Not that I recall.

Mr COWDREY: Did you visit an Airbnb while in the United States?

The Hon. S.C. MULLIGHAN: Not that I recall.

Mr COWDREY: Can you explain why an Airbnb transaction appears on the Under Treasurer's credit card statement?

The Hon. S.C. MULLIGHAN: Not immediately, no.

Mr COWDREY: Could you ask him?

Mr PERSSE: I booked an Airbnb accommodation in Wallaroo for a country cabinet, if that is the only reference that I have ever stayed in an Airbnb for work.

Mr COWDREY: It is the day after the Century Park Hotel in Los Angeles.

Mr PERSSE: I would have to see the dates, sorry.

The Hon. S.C. MULLIGHAN: I do recall that in Los Angeles we stayed at whatever that motel was—I think that was the Century Park motel—and that, because we were catching the midnight flight from Los Angeles back to Australia, one room was booked for one additional period—I am not sure whether it was a full night or not—to allow the three of us to change out of our suits into more casual attire in readiness for that plane trip. I do not know whether it relates to that or not, but we will take it on notice and come back to you.

Mr COWDREY: Was that potentially done through Airbnb?

The Hon. S.C. MULLIGHAN: I am happy to take it on notice and come back to you. I am not sure that we have that detail today.

Mr COWDREY: Why was the government travel agency not used to book that room?

The Hon. S.C. MULLIGHAN: I do not know. I could speculate and say that maybe it was cheaper to make that booking through an alternative agency, but that would presuppose that that is indeed the reference that you have to Airbnb. I do not have these details in front of me. I came prepared for discussion about the budget papers. I can come back to you.

Mr COWDREY: I am happy to provide it to the Chair to distribute, as mentioned in his earlier statement.

The Hon. S.C. MULLIGHAN: I would rather provide a thorough and accurate representation of what occurred than accept whatever your speculation is.

Mr COWDREY: Perhaps Mr Persse can have a look at his own credit card statement and provide us a reference to his diary as to when he was in Wallaroo.

The Hon. S.C. MULLIGHAN: As you might imagine, the Department of Treasury and Finance has access to all credit card statements. We will go back and investigate what the circumstances were and bring it back for a thorough and accurate answer.

Mr COWDREY: Are you able to provide us information as to why the Under Treasurer is refusing to release the credit card receipts that are associated with these credit card statements?

The Hon. S.C. MULLIGHAN: I am happy to take that away and look at it. At first blush, I think our response would be that usually these documents may not be released through FOI because they have previously been proactively disclosed or will be proactively disclosed, but I am happy to investigate the circumstances.

Mr COWDREY: You have proactively disclosed the credit card statement. The receipts associated have not been proactively disclosed.

The Hon. S.C. MULLIGHAN: I am happy to take that on notice and come back to you.

Mr COWDREY: In regard to your credit card statement that was conveniently released via proactive disclosure last night, as I understand it there are only two transactions for yourself while you were there. The associated costs of the hotel rooms, etc., appear to be on Mr Persse's credit card; he has paid for those expenses. Does your credit card statement include all taxpayer-funded expenses incurred by you on your trip?

The Hon. S.C. MULLIGHAN: I am aware that each member of a travelling party, particularly to countries like the United States, is usually given an amount of cash to pay for things like incidental expenses, tipping and so on. There is a separate process that involves the department providing that amount of cash and then each member of the travelling party needing to do a reconciliation against the use of that cash. That would be an example of other taxpayers' funds that were used. Other taxpayers' funds, of course, were used to pay for the flights to and from the countries involved in that trip.

Mr COWDREY: So you only had two meals while you were in the US that taxpayers paid for?

The Hon. S.C. MULLIGHAN: No, that is not my evidence to the committee. I am a far more voracious eater over a period of 10 days than just two meals.

Mr COWDREY: So we should see those appear on Mr Persse's credit card and Mr Leyson's credit card in the foreseeable future?

The Hon. S.C. MULLIGHAN: Potentially, or it may be the case that I paid for them privately.

Mr COWDREY: I am only discussing the arrangements in regard to taxpayer expenses.

The Hon. S.C. MULLIGHAN: Your question was: did I only have two meals while I was away? My answer was no. My evidence includes the fact that there were a number of occasions where I personally paid for meals.

Mr COWDREY: Good. In regard to the cash that was reconciled and repaid, was any cash not able to be reconciled with receipts?

The Hon. S.C. MULLIGHAN: I would have to take that on notice, but not to my immediate memory.

Mr COWDREY: I will move on to ratings agencies, if that is okay.

The Hon. S.C. MULLIGHAN: Which budget paper?

Mr COWDREY: I assume any line of expenditure and any line—

The Hon. S.C. MULLIGHAN: Do you have a budget reference? This is the committee stage of the bill.

Mr COWDREY: —that relates to the ratings agencies' view on the budget, Treasurer. These are questions that have been put to every Treasurer. If you would like we can reference it to table 1.2 on page 7 around fiscal targets and outcomes, for which you have not met the target this year in regard to surplus and you have not met the target next year with regard to operating expenses growth. If you would like me to provide you with a budget reference—

The Hon. S.C. MULLIGHAN: It is not my desire; it is the basic expectation of the committee stage of the bill that a clause is referenced. In this case that is the budget papers.

Mr COWDREY: Have the ratings agencies provided any draft, final assessments or issue of comments on the budget, Treasurer?

The Hon. S.C. MULLIGHAN: I am sorry, if you are unaware of the standing orders of this place, this is the committee stage of a bill, and when you are discussing a bill you provide a clause reference. Given that this is the Appropriation Bill—

Mr COWDREY: I just did, Treasurer.

The Hon. S.C. MULLIGHAN: —the way you do this is to provide a reference to the budget papers.

Mr COWDREY: Have the ratings agencies provided any draft, final assessments or issue of comments—

The CHAIR: For my benefit, can you repeat where we are?

Mr COWDREY: Budget Paper 3, page 7, fiscal targets and outcomes. Have the ratings agencies provided any draft, final assessments or issue of comments on the budget?

The Hon. S.C. MULLIGHAN: Yes.

Mr COWDREY: As I understand it, Moody's issued a comment earlier this month on 15 June, and we have also had a credit outlook statement provided on 26 June. Are you able to table—

The Hon. S.C. MULLIGHAN: Why did you ask the preceding question: had they issued any advice? Were you hoping to catch me out? Were you hoping to get me misleading the parliament about whether, straight after a state budget has been released, the ratings agencies have responded? I mean, come on!

Mr COWDREY: Treasurer, I am doing nothing more than providing questions to the house asking whether you have received the documents.

The Hon. S.C. MULLIGHAN: You asked me a question: have they released any information? You already know the answer and then you follow up with the detail of it.

Mr COWDREY: You do not need to be touchy, Treasurer, in regard to the ratings agencies.

The Hon. S.C. MULLIGHAN: I am not touchy.

Mr COWDREY: When did you last meet with the ratings agencies in person over the last year and where?

The Hon. S.C. MULLIGHAN: You mean in total or the people who are responsible for—

Mr COWDREY: You personally, Treasurer. When I say, 'When did you', I mean you personally.

The Hon. S.C. MULLIGHAN: Over the last 12 months I have met with the ratings agencies on separate occasions. The most recent I think was in January this year in the United States and preceding that it was with the Australian—

Mr COWDREY: Can you break that down by Standard and Poor's, Fitch and Moody's?

The Hon. S.C. MULLIGHAN: Yes, sure, I am happy to provide that detail. Before that, personally with the people who provided—

Mr COWDREY: Who did you meet with in New York? Was it all three?

The Hon. S.C. MULLIGHAN: As I said, I will provide you that detail. Preceding that, over the last 12 months I also met with the local representatives of those firms after the release of the previous state budget, the 2022-23 state budget.

Mr COWDREY: So you are not happy to provide the committee now? When you have the information—

The Hon. S.C. MULLIGHAN: I am happy to provide it. I just do not have the detail in front of me.

Mr COWDREY: You cannot remember who you met with in New York?

The Hon. S.C. MULLIGHAN: I do not have that specific detail, no.

Mr COWDREY: So you are telling me that the Treasurer of this state cannot turn his mind back six months as to the meetings he had?

The Hon. S.C. MULLIGHAN: I can, but I want to make sure I provide that information accurately to the committee. I have confirmed that I have met with them, I have provided you with the times I have met with them, and I have offered to provide you with the detail of meeting with them. You FOI my diary every two weeks.

Mr COWDREY: Yes, and you provide me no detail, Treasurer.

The Hon. S.C. MULLIGHAN: So you do not have the detail either?

Mr COWDREY: Yes, but I do not have it to remember—you do.

The Hon. S.C. MULLIGHAN: So yes, you do have the detail, but you cannot provide it today, and then you have an expectation that I should be able to recall it from memory?

Mr COWDREY: Treasurer, your diary that you provided me for your trip—

The Hon. S.C. MULLIGHAN: Mate, get your act together.

Mr COWDREY: —is entirely redacted.

The Hon. S.C. MULLIGHAN: Get your act together.

Mr COWDREY: Your diary that you have provided me for you trip is entirely redacted.

The Hon. S.C. MULLIGHAN: How many times—

Mr COWDREY: I cannot recall information that I do not have.

The Hon. S.C. MULLIGHAN: —are we going to go through this charade where you try to ask me some leading question to catch me out, to try to get me to mislead the parliament, and in the next question you make it clear that you already have the information? It is juvenile—juvenile.

Mr COWDREY: You really are not too interested in providing answers today, are you, Treasurer?

The Hon. S.C. MULLIGHAN: As I said, I am more than happy—

Mr COWDREY: You can run down the clock as much as you wish.

The Hon. S.C. MULLIGHAN: I am more than happy to provide this detail, and I have already committed to you, twice now, to provide it to you.

Mr COWDREY: Can you provide comment to the committee in regard to the issuer comment and the credit outlook statement?

The Hon. S.C. MULLIGHAN: Sorry, can you repeat the question?

Mr COWDREY: Yes, can you provide your commentary in response to the credit outlook statement and the issuer comment?

The Hon. S.C. MULLIGHAN: Yes. As you know, the state has been placed on negative watch since 2020, after the release of the previous Liberal government's 2019-20 state budget. My understanding is that the ratings agencies are cognisant of the impact of COVID on state and territory budgets and balance sheets. They have tried to be as accommodating as they can of the deteriorated budget positions of states and territories. We should also point out, of course, that not every state is impacted in the same way. You only have to look at the budget outcomes that Western Australia has been delivering, or that Queensland has delivered in the current financial year, to know that that is the case.

My understanding is that S&P's commentary, since the release of this current budget, is that they have noted the budget forecasts, tracked their expectations with revenue growth supporting the AA+ long-term rating. Moody's published comments, again on this same budget, indicating that they expected that South Australia would achieve the target of a net operating surplus by 2023-24. But I think in the next week or the next two weeks—and, again, I know it is deeply offensive to you, but I am happy to provide specific details as to the times of those meetings and who I am meeting with—I will be meeting with them in person, face to face, where we will have more detailed discussions.

Mr COWDREY: Do you think there is any risk to the state of a ratings downgrade?

The Hon. S.C. MULLIGHAN: When you are placed on negative watch, by definition yes. That is why ratings agencies issue a credit rating and then they have an additional stable outlook, for example, or a negative watch. That is to indicate when there is a risk to the state's finances of a change in credit rating. Until that negative watch gets removed, that remains a live risk. But, as I have been pointing out, as we have released the budget papers, there are improvements to the state's budget position. Our level of indebtedness in this current financial year is lower than what had been previously forecast by the previous government. The net debt to revenue ratio has substantially improved compared to where it was—

Mr COWDREY: Revenue has substantially improved too.

The Hon. S.C. MULLIGHAN: That is exactly right. The budget is larger. There is more revenue coming into the state's coffers. There is a greater budget capacity, and it is lucky that there is because you have to remember that this state had bipartisan commitment to deliver two substantial projects: the north-south corridor upgrade and the New Women's and Children's Hospital. The previous government had continued the laughable position, since late 2019, that the cost of a new Women's and Children's Hospital would be \$1.9 billion.

Of course, that was never going to be the case—never going to be the case. Not only that, but in their last budget, released before the last election, only \$884 million was allocated towards that \$1.9 billion project. So when the previous government forecast that debt would reach \$33.6 billion in the 2024-25 financial year, and the net debt to revenue ratio would reach 129.6 per cent, those figures were always going to worsen because additional debt would need to come onto the state's books to not only complete that project but complete that project at a higher cost in later years.

Similarly, the previous government maintained the position for more than 18 months for the tunnels project that it would only cost \$9.95 billion, when pretty much everybody else in the South Australian community knew it was going to be substantially more than that. To further that point, there was I think from memory less than a third of that total cost that had been budgeted to be spent across the forward estimates of the last Liberal government's previous budget.

So while they estimated that debt would hit \$33.6 billion in the 2024 financial year and in that year the net debt to revenue ratio would reach \$129.6 billion, if the budget outlook forecasts and revenue growth had not improved to the extent that they have, the debt position and that key debt metric would be substantially worse than what it is now. So it is through the growth of the budget—it is through the greater financial capacity of the budget—that we have actually been able to maintain our commitment to those projects and in particular at a more accurate cost.

Mr COWDREY: Treasurer, I will take you to the Fitch Ratings' action commentary from Wednesday 17 August, which was handed down shortly after last year's budget. In that commentary, particularly in regard to ratings' sensitivities, they call out that the key risk to any negative rating action or downgrade would be weak fiscal discipline or failure to control capex.

Given that we have seen blowouts across every government agency this year bar two across headlines and we have revised scopes and budgets for the two projects that you have just referenced—the north-south corridor, which is now \$5 billion more than it was at this point last year when this commentary was provided, and the Women's and Children's Hospital project, which is now significantly more expensive than when this commentary was provided on last year's budget—do you think you have taken the steps necessary to ensure that the ratings agencies do not make changes?

The Hon. S.C. MULLIGHAN: That is a matter for them, but the reason we have been able to do that is because, as I have spent the morning pointing out to you, the strength of the revenues flowing to the state has been substantially more than what was previously anticipated. The capacity of the budget is substantially larger than what it has been previously and it has given us the capacity to fund these projects. The evidence of that is not only a lower debt position in the current financial year than what was previously forecast by the previous government but a substantially improved net debt to revenue ratio, which demonstrates that the state budget has additional capacity to fund higher capital expenditures.

Mr COWDREY: Have you had Treasury update or calculate the liability burden for the state?

The Hon. S.C. MULLIGHAN: Which liability?

Mr COWDREY: The economic liability burden as calculated as part of the Fitch review.

The Hon. S.C. MULLIGHAN: Do you mean the net financial liabilities?

Mr COWDREY: Yes.

The Hon. S.C. MULLIGHAN: The net financial liabilities are set out in the budget papers. On page 62, table 4.9, it goes through the key balance sheet indicators, including net financial liabilities, net financial worth and net worth.

Mr COWDREY: In regard to the land releases, Budget Paper 1, page 6, that were announced by the government as part of this budget, what allocation was made in the budget in regard to those land releases?

The Hon. S.C. MULLIGHAN: I will provide as much information as I have. You are referring to the 25,000 allotments land release?

Mr COWDREY: Yes.

The Hon. S.C. MULLIGHAN: The majority of those—and, again, if any of this is not correct I will make sure I come back and correct it—my understanding is the majority of that land is held by Renewal SA, so when releasing it to market there will be some impact on their finances in terms of when they expect to realise revenues from those land sales and then what their revenues look like or what they materialise against, I guess, the book value of that land and what their revenue estimates were otherwise going to be in that financial year.

In general, that will be the impact on Renewal SA's balance sheet. How that actually materialises on their balance sheet and then in turn how that might impact the state's finances—the returns, for example, that we might get or any dividend we might get from Renewal SA—I will come back and provide the particulars on.

Mr COWDREY: So Concordia is owned by Renewal SA?

The Hon. S.C. MULLIGHAN: I might have to—

Mr COWDREY: Could you provide us a breakdown on notice on who—

The Hon. S.C. MULLIGHAN: Yes.

Mr COWDREY: —on what the ownership structure is for each of those?

The Hon. S.C. MULLIGHAN: This is the information that I am sure Minister Champion and Renewal SA would readily have. If it is not taken up there I am happy to take it on notice and bring it back to this committee.

Mr COWDREY: What allocations have been made for supporting infrastructure like schools and roads, etc., in regard to each of those land releases?

The Hon. S.C. MULLIGHAN: Another announcement, and I cannot remember if we highlighted it in the budget papers, but in Planning and Land Use Services (PLUS, as it is called) within the Department for Trade and Investment a unit is being established—I cannot recall the specific name of it but it is basically the infrastructure planning unit—to ensure that the infrastructure requirements not just for those land releases but, generally speaking, for development across South Australia are adequately and accurately determined to make sure that we are not stuck in the same situation as we are with Mount Barker, for example.

There, the previous Labor government, back in—I cannot remember what year it was—the early to mid-2000s rezoned and made that available land for release to the market. The infrastructure development arrangements that were put in place there are significantly improved upon, because while that particular land release at Mount Barker tried to ensure that infrastructure was rolled out adequately in concert with the way the land was being developed, I do not think any of us could sit here and pretend that that has been a success.

So there is a new unit that has been established within Planning and Land Use Services in that department. They will be mapping that out. I am not sure if they have any particular estimates on that as yet, but, again, that might be a question better put to Minister Champion to get better particulars on.

Mr COWDREY: So there are no allocations whatsoever in the forward estimates in regard to any infrastructure for those years?

The Hon. S.C. MULLIGHAN: There are always allocations in agency budgets in areas of responsibility for additional infrastructure, whether that is in transport, in education, or in SA Water, but—

Mr COWDREY: But there is nothing specific to these projects?

The Hon. S.C. MULLIGHAN: Let me give you an example. SA Water, for example, across their forward estimates has an allowance for capital expenditure for network augmentation. The education department has allowances within its budget for enrolment growth. It also has allowances for capital expenditure both on existing facilities and also new facilities.

So there are existing allocations in agencies, but I cannot be specific. I cannot give you an accurate figure as to what is committed for those particular projects and over what time frame because I am not sure whether that new unit has undertaken that. I guess suffice to say that, as there has been for many years, existing government agencies continue to have provisions in their forward spending to ensure that new development is supported.

Mr COWDREY: You would assume, though, for a suburb with 10,000 new homes like Dry Creek, with no existing infrastructure whatsoever, that a significant allocation would be necessary. Was there a reason that was not announced as a separate pool of funding with the rest of the package?

The Hon. S.C. MULLIGHAN: Yes, there is. There is a reason. I do not anticipate that all 10,000 dwellings will be established over the budget's four-year forward estimates period. If there are any further infrastructure arrangements, which are to be put in place by Planning and Land Use Services, I am not aware of whether that detail has been finalised yet and to what extent the government will be paying for it, to what extent money will be recouped from people who end up developing that land.

These infrastructure arrangements are likely to be funded over a longer period of time than the budget's four-year forward estimates, and while the government, through its agencies, will no doubt be spending some money towards them, that may not be the full extent of the infrastructure funding arrangements. Again, this is really something that Minister Champion is probably able to provide you with better particulars on.

Mr COWDREY: How many new housing releases do you believe will be available for purchase in each year of the forward estimates?

The Hon. S.C. MULLIGHAN: Do you mean out of the 25,000 or do you mean in total across the South Australian housing market?

Mr COWDREY: Out of the 25,000.

The Hon. S.C. MULLIGHAN: I will refer you to Minister Champion. I am not sure when his estimates are. It is not today though, so you will have time to coordinate getting that question to him.

Mr COWDREY: Will the state government supplement any infrastructure costs associated with the land releases relevant to SA Water, as you have just touched upon, or will they be passing these costs on to South Australian water bill payers through a form of stealth tax?

The Hon. S.C. MULLIGHAN: A what, sorry?

Mr COWDREY: A stealth tax.

The Hon. S.C. MULLIGHAN: No, there will not be a stealth tax imposed by this government.

Mr COWDREY: So you will be providing supplementation for SA Water in regard to the SA Water infrastructure or supply?

The Hon. S.C. MULLIGHAN: There are three ways in which infrastructure can be funded. There are the charges that SA Water has and continues to levy for people who are connecting to their networks, and that arrangement will remain in place. There is the funding that SA Water has in its forward budgeting, its forward estimates, for network augmentation and new developments, which is already paid for by all South Australians' water bills. That was the case over the last four-year period between 2018 and 2022 when the previous Liberal government was in charge.

There is also the opportunity, if necessary, for the government to make a separate budget allocation centrally for augmentation charges, but I am not sure that any decision has been made so as to provide me, or even Minister Champion, the ability to be able to answer, in particular, what the total cost is and what the share will be across those three different ways of funding it.

Mr COWDREY: I am just asking your preferred method not the exact quantity.

The Hon. S.C. MULLIGHAN: I just outlined that there are three ways in which they are funded, and I imagine that those three ways will continue to be the ways in which they are funded. They are either funded out of SA Water's forward capital program, which is already provided for by South Australian water bill payers, or they are paid for by the developer as lots or allotments and connections are required, and SA Water reaches those arrangements with developers, or they are paid for, less usually I must say, by the budget.

I do not believe we have any particular allocation within the Budget Measures Statement or out of this budget for paying for those water augmentation charges—no, we do not, so it is likely to be those two. Your proposition that the government might introduce, in your terms, a stealth tax is a complete and utter furphy and rejected.

Mr COWDREY: Other than changing the dates, will the Treasurer be making any changes to the pricing orders that will apply to SA Water over the next regulatory period?

The Hon. S.C. MULLIGHAN: I am yet to make a decision on that. The next regulatory determination period starts from 1 July next year, just over 12 months away, so there is quite some time to be thinking that through.

Mr COWDREY: Will the Treasurer rule out inflating SA Water's regulatory asset base for the whole of the next regulatory period?

The Hon. S.C. MULLIGHAN: I have not turned my mind to the pricing order, but we have always ensured that our pricing determination process is done by virtue of ESCOSA with significant input from SA Water and also the Department of Treasury and Finance, as in accordance with the National Water Initiative principles.

The Hon. D.G. PISONI: That was found to be flawed.

The Hon. S.C. MULLIGHAN: Sorry, say that again. Nothing to say or are you talking to your phone?

Mr COWDREY: Has the Auditor-General made any further request to you or your office or to the Department of Treasury and Finance in regard to any documents that have not been provided to him?

The Hon. S.C. MULLIGHAN: My understanding is that if the Auditor-General makes requests for documents, that is done on a regular basis to all agencies directly. If the Auditor-General makes requests for specific documents like cabinet documents, that is done to the Department of the Premier and Cabinet.

Mr COWDREY: Have you refused to provide any documents requested of you, your office or the department to the Auditor-General?

The Hon. S.C. MULLIGHAN: I am not sure that the Auditor-General has specifically requested that I provide him documents. My assumption is that he has asked, as he normally would

in the course of every year's annual work, that he gets documents from the Department of Treasury and Finance. I do not think any documents have been refused, no.

Mr COWDREY: In regard to the stamp duty abolition that has been undertaken—I use the term 'abolition' very loosely because I think I have heard every other person in South Australia bar the government describe it as a concession for a certain group of people—can you explain to me: the government has allocated roughly \$125 million towards this (\$32 million, roughly, per year), and you are expecting a 3,800 person or household uptake each year. How many of those do you associate as being new builds versus land purchases?

The Hon. S.C. MULLIGHAN: I will take that on notice.

Mr COWDREY: Treasurer, if you take the \$32 million and you divide it by 3,800, the average stamp duty concession is \$8,000, which equates to roughly a \$250,000 house. I have looked at the house and land packages in some of the outer suburbs and the average price through there is \$550,000 for a house and land package. Are you able to give us any degree of confidence that you do think that 3,800 people will be able to access that and that there is enough money in the budget to cover those purchases?

The Hon. S.C. MULLIGHAN: I would almost be pleased if the uptake of first-home buyers exceeds our expectations, but we were careful to say in the budget papers that 3,800 first-home buyers would benefit from these measures. You have to appreciate that that is not necessarily 3,800 new first-home buyers who will be participating in the market. You have to I guess bear in mind that, putting aside the previous couple of years where the market was stimulated by the temporary HomeBuilder program, we would normally build somewhere between, off the top of my head, 8,000 and 11,000 new dwellings a year across South Australia, but I am happy to come back to you with that breakdown.

Mr COWDREY: How many people are you expecting to utilise the stamp duty concession?

The Hon. S.C. MULLIGHAN: Our estimate of the number of first-home buyers who will benefit is 3,800, but if you want a breakdown as to how many people are going to buy blocks versus how many people are going to buy newly constructed homes and so on, I am happy to provide that detail for you.

Mr COWDREY: You understand my line of questioning here, though, that \$250,000 is not necessarily even enough to buy a block of land and if everybody is buying at that price, you are making an assumption that nobody is buying a house and land package or a newly built house, and then the underlying assumption would effectively be that everybody is buying a \$250,000 block?

The Hon. S.C. MULLIGHAN: Yes, I understand the basis of your question.

Mr COWDREY: Do you think your 3,800 a year number is wildly inaccurate?

The Hon. S.C. MULLIGHAN: I do not have any advice that makes me believe that to date, but, like I said, I am happy to provide some further particulars for you. The advice I have is that, in recent experience, the majority of first-home buyers who have used the First Home Owner Grant of \$15,000 have been people who have bought a block of land and then sought to build. As you suppose, the stamp duty is only applied to the purchase of the block of land, rather than calculated on the cost of the subsequent build. In terms of providing further particulars as to how the policy is costed, I am happy to take that on notice.

Mr COWDREY: Could you provide us with the underlying assumptions that sit behind the government's modelling in regard to the commitment as well?

The Hon. S.C. MULLIGHAN: As far as I can, yes.

Mr COWDREY: In regard to the number of Treasury staff that are working from home in the department—

The Hon. S.C. MULLIGHAN: Which budget paper are we looking at?

Mr COWDREY: Budget Paper 4, Volume 4, page 141. Does the department have a clear plan and time line in place for staff that are working from home to return back to the office and, if so, can you table that plan?

The Hon. S.C. MULLIGHAN: I am not sure that I can provide you a documented plan, for a couple of reasons. One is that obviously a lot of workforces are still transitioning back to—I was going to say more normal working arrangements, but I am not sure there are normal working arrangements anymore. We went from a period, necessarily under COVID restrictions, of the vast majority, if not all people, basically working from home.

While a significant proportion of the workforce has returned to working from the office—and I am happy to come back to you with an estimate on how many people are back in the office and for what period during the week—it has been very clear, particularly in a central agency like Treasury, which does not have as great a service delivery responsibility, or does not have as great a client-facing or frontline role as other government agencies, that many employees want to continue accessing that workplace flexibility to some extent. It is something that I certainly, in principle, absolutely support.

I absolutely recognise the need—for the benefit of their work, for their careers and for their engagement with their colleagues—and the benefits of getting them back into the office, let alone the broader and wider economic benefits of having people working in the city. But you have to balance that with the fact that we want a modern, diverse, gender-balanced workforce in Treasury, and the simple fact is that people need greater flexibility in this day and age, particularly with responsibilities such as caring for children, having children at school, caring for parents or grandparents, and so on.

People increasingly need—not want, but actually need—workplace flexibility. One silver lining out of the experience of COVID is that major employers, public or private sector, have now more significantly made the change to offering workplace flexibility.

Mr COWDREY: Are you able to take on notice the exact number of employees that are working 0.2, 0.4, 0.6, 0.8 or the equivalent from home?

The Hon. S.C. MULLIGHAN: Again, I will provide you what detail I can. I think I could readily provide you the number of part-time workers, but I am not sure that is what you are asking. I think you are asking: how many people are working a number of days from home, and how many days are they working from home?

Mr COWDREY: Correct.

The Hon. S.C. MULLIGHAN: I will try to provide what information we can but, as I am sure you might appreciate, it changes. A full-time person might be five days in the office one week and they might only be three days in the office the next. It might not be consistent. People may choose to work a greater proportion of the working week in the office during school term, for example, but try to work more flexibly during school holidays so that there is an adult present in the family home. It just varies.

To the extent that I can provide any information, perhaps if we cannot provide it at a department specific level, perhaps what we could do is speak with the Commissioner for Public Sector Employment, Erma Ranieri, and see if she has been tracking this and whether we can provide some helpful particulars.

Mr COWDREY: In regard to SAPOL's proposed relocation, I cannot seem to find any allocation in the budget. Obviously there is going to be a significant impact in regard to SAPOL's operational expenses potentially from having to service, maintain and operate a multiple number of facilities. Are you able to provide any detail, in regard to the additional impact on SAPOL operations in their budget, of the change in approach to move from a Parklands-based mounted policing operations infrastructure to what is currently being proposed?

The Hon. S.C. MULLIGHAN: At some point, yes, we will be able to provide that information. That information is not settled as yet. There are 15 business units from SAPOL on the Thebarton barracks. The most prominent one of course, as you made reference to, is the mounted operations.

It is not yet settled where they will be located although two preferred locations have been identified, one of which is—I do not know if it is in your patch or the member for West Torrens'—down near the airport. The other one is at Gepps Cross on government-owned land.

Depending on which of those options is settled on, and my understanding is that the decision between those two sites is imminent—those two options will have different costs, is what I am trying to say. I cannot be specific about that. As to the other business units out of those 15, some of those are being absorbed on existing SAPOL premises, some of those are being absorbed on other government premises, and some of those are being relocated to current non-government premises. I think, for accuracy and completeness, maybe it is best that I take that on notice and give you the details as we have them to hand.

Mr COWDREY: When the government made an announcement in regard to the relocation, there was a story in *The Advertiser* that cited that you had travelled to investigate equivalent policing operations interstate. Was that not an operational question, as to whether it was operationally feasible for SAPOL to make changes to their unit? Was there a reason for you to be there, Treasurer?

The Hon. S.C. MULLIGHAN: Yes, because these things cost money and I wanted to be sure that the state government was only going to be paying for what was necessary in terms of the police's not only operational capability but what was necessary in terms of the scale and the scope of the facility. As you can imagine, there were almost myriad options for their relocation.

We could try to find 15 different locations for the 15 different business units. We could try to find one location for all 15 business units to go on. They all come with different not only operational requirements which you are right to presuppose in your question is not my bailiwick, but certainly the costs are and that is why I had a look interstate to see what arrangements had been made in those jurisdictions and what sort of costs were incurred.

Mr COWDREY: It is highly unusual, is it not, for the Treasurer himself to make that sort of travel? How many states did you visit and how many jurisdictions?

The Hon. S.C. MULLIGHAN: Two.

Mr COWDREY: Two. Are you able to name them for us?

The Hon. S.C. MULLIGHAN: It was Queensland and Victoria.

Mr COWDREY: Are you happy for us to keep going?

The CHAIR: There are a few seconds left.

Mr COWDREY: A few seconds left. That is always good. Do you have ESCOSA here?

The Hon. S.C. MULLIGHAN: No, not at this point in time.

Mr COWDREY: In regard to payroll tax thresholds, can I very quickly ask the Treasurer to take a couple of questions on notice just in regard to payroll tax. I refer to Budget Paper 3, page 35. How many businesses paid payroll tax in financial year 2021-22? How many businesses are paying payroll tax this year in FY 2022-23? How much are those additional businesses paying in terms of total payroll tax paid? What is the projection in terms of number of businesses in FY 2023-24 estimated to be paying payroll tax?

Can you provide a breakdown of the number of businesses for this financial year, the prior financial year and estimates over future financial years over the forward estimates to have payrolls in the range of \$1.5 million to \$1.75 million, \$1.75 to \$2 million, \$2 million to \$2½ million, \$2½ million to \$3 million, and \$3 million and above ranges, and a total contribution to payroll tax of each range? Can you provide the actuals for FY 2021-22 and this current financial year when they become available?

The Hon. S.C. MULLIGHAN: I am happy to take that on notice.

The CHAIR: The allotted time having expired, I declare the examination of the portfolio of the Department of Treasury and Finance completed.

Sitting suspended from 11:01 to 11:16.

Membership:

Ms Wortley substituted for Mr Odenwalder.

Departmental Advisers:

Mr R. Persse, Under Treasurer, Department of Treasury and Finance.

Ms T. Pribanic, Deputy Under Treasurer, Department of Treasury and Finance.

Mr S. Bayliss, Chief Services Officer, Department of Treasury and Finance.

Mr A. Coates, Chief Executive Officer, South Australian Government Financing Authority.

Mr A. Kennedy, Director, Treasury Services, South Australian Government Financing Authority.

Ms J. White, Director, Insurance and Fleet SA, South Australian Government Financing Authority.

Ms J. Townsend, Chief Executive Officer, Funds SA.

Ms J. Holmes, Commissioner of State Taxation, RevenueSA.

Ms D. Bennett, Chief Executive, Super SA.

Mr A. Mills, Chief Executive, HomeStart Finance.

Mr B. Naylor, Chief Financial Officer, HomeStart Finance.

The CHAIR: Welcome back. The proposed payments portfolios are the South Australian Government Financing Authority, Funds SA, RevenueSA, Super SA and HomeStart. I advise that the proposed payments remain open for examination. I call on the minister to make a statement, if he so wishes.

The Hon. S.C. MULLIGHAN: No, but I might introduce the change of advisers.

The CHAIR: I was going to get to that, but you might as well do it now.

The Hon. S.C. MULLIGHAN: Anthony Coates is the Chief Executive of the South Australian Government Financing Authority and Andrew Kennedy is the Director of Treasury Services in SAFA.

The CHAIR: Welcome. No opening statement, Treasurer?

The Hon. S.C. MULLIGHAN: No.

The CHAIR: I call on members for questions.

Mr COWDREY: We will start with the omnibus questions, if that is alright.

Mr McBRIDE: The omnibus questions are:

1. For each department and agency reporting to the minister, how many executive appointments have been made since 1 July 2022 and what is the annual salary and total employment cost for each position?

2. For each department and agency reporting to the minister, how many executive positions have been abolished since 1 July 2022 and what was the annual salary and total employment cost for each position?

3. For each department and agency reporting to the minister, what has been the total cost of executive position terminations since 1 July 2022?

4. For each department and agency reporting to the minister, will the minister provide a breakdown of expenditure on consultants and contractors with a total estimated cost above

\$10,000 engaged since 1 July 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?

5. For each department and agency reporting to the minister, will the minister provide an estimate of the total cost to be incurred in 2023-24 for consultants and contractors and, for each case in which a consultant or contractor has already been engaged at a total estimated cost above \$10,000, the name of the consultant or contractor, the method of appointment, the reason for the engagement and the total estimated cost?

6. For each department and agency reporting to the minister, will the minister advise whether it met the 1.7 per cent efficiency dividend for 2022-23 to which the government committed and, if so, how was the saving achieved?

7. For each department or agency reporting to the minister, how many surplus employees are there in June 2023, and for each surplus employee what is the title or classification of the position and the total annual employment cost?

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

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

- What savings targets have been set for 2023-24 and each year of the forward estimates; and
- What is the estimated FTE impact of these measures?

10. For each department and agency reporting to the minister, will the minister advise what share it is receiving 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 is being used in each case?

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

- What was the actual FTE count at June 2023 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?

12. For each department and agency reporting to the minister, how much is budgeted to be spent on goods and services for 2023-24 and for each year of the forward estimates?

13. For each department and agency reporting to the minister, how many FTEs are budgeted to provide communication and promotion activities in 2023-24 and each year of the forward estimates and what is their estimated employment cost?

14. 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 2023-24?

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

16. For each grant program or fund the minister is responsible for, please provide the following information for the 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.
17. For each department and agency reporting to the minister:
- Is the agency confident that you will meet your expenditure targets in 2023-24;
 - Have any budget decisions been made between the delivery of the budget on 15 June 2023 and today that might impact on the numbers presented in the budget papers which we are examining today; and
 - Are you expecting any reallocations across your agency's budget lines during 2023-24, if so, what would be the nature of this reallocation?
18. For each department and agency reporting to the minister:
- What South Australian businesses will be used in procurement for your agency in 2023-24;
 - What percentage of total procurement spend for your agency does this represent; and
 - How does this compare to last year?
19. What protocols and monitoring systems has the department implemented to ensure that the productivity, efficiency and quality of service delivery is maintained while employees work from home?
20. What percentage of your department's budget has been allocated for the management of remote work infrastructure, including digital tools, cybersecurity and support services, and how does this compare with previous years?
21. How many procurements have been undertaken by the department this FY, how many have been awarded to interstate businesses, and how many of those were signed off by the chief executive?
22. How many contractor invoices were paid by the department directly this FY? How many and what percentage were paid within 15 days, and how many and what percentage were paid outside of 15 days?
23. How many and what percentage of staff who undertake procurement activities have undertaken training on participation policies and local industry participants this FY?

The CHAIR: Well done, member for MacKillop. Maybe one day we will reform this system and automatically table the omnibus questions—it will save us all a lot of time. Questions?

Mr COWDREY: Do you want to deal with ESCOSA now?

The Hon. S.C. MULLIGHAN: Sure, if you like.

Mr COWDREY: I refer to Budget Paper 4, Volume 4, page 144, Strategic Management Plan Advice Scheme, in regard to local councils. The government introduced a Strategic Management Plan Advice Scheme through amendments to the Local Government Act. Under that scheme the commission provides each of the state's 68 local councils, on a rotational basis, advice on the appropriateness of their long-term financial and infrastructure asset management plans. In the six months since councils have received strategic management advice from the Essential Services Commission, is the Treasurer aware if any of this advice has been adopted by any council?

The Hon. S.C. MULLIGHAN: I am happy to take this on notice, but yes, the previous government legislated this regime. I think this is the first time ESCOSA has effectively rolled it out. I am happy to ask ESCOSA what information they can provide or whether the Office of Local Government, under Minister Brock's purview, can. I am happy to take it on notice.

Mr COWDREY: Is the Treasurer aware of any advice provided by ESCOSA to a council which has led to the creation of efficiencies in that council, or delivered value for money to that council's ratepayers?

The Hon. S.C. MULLIGHAN: I will take it on notice.

Mr COWDREY: Still staying with ESCOSA but shifting to page 182, the purchase of plant and equipment for ESCOSA has increased from \$107,000 last financial year to \$612,000 this financial year, and it is now budgeted to spend \$1.145 million next financial year. Can the Treasurer explain the nearly tenfold increase in ESCOSA's plant and equipment spending over two years?

The Hon. S.C. MULLIGHAN: Yes, I am happy to take that on notice.

Mr COWDREY: I will work through agency by agency so that you have—

The Hon. S.C. MULLIGHAN: Can we start with SAFA?

Mr COWDREY: SAFA, yes, absolutely; that is fine. In regard to Budget Paper 3, page 89, the SAFA schools loan scheme, how many schools applied or approached SAFA for a schools loan scheme this financial year?

The Hon. S.C. MULLIGHAN: I will check this, obviously. I am happy to come back with the precise details. I am not sure if any have in the current financial year, because I am not sure that we have released a further round, but I am happy to check that and come back to you. I can give you the totals. Up to the most recent week, there were in total—so not just for the last 12 months but in total—24 applications. Four have been withdrawn by the schools and 20 of those applications have been approved. I think the total amount disbursed to those 20 schools is \$130,745,000.

Mr COWDREY: Has SAFA been approached by any more applicants but for those that have actually submitted an application? How many schools have actually reached out to SAFA to perhaps gauge interest or to get more information in regard to the scheme?

The Hon. S.C. MULLIGHAN: I am certainly aware that there have been approaches made, generally from school sectors asking if the scheme is still going, if there is a current round open and, if not, will there be future rounds. I am also aware that specific schools have made approaches as well, but I will come back to you on the detail of that.

Mr COWDREY: If you are happy to take that on notice.

The Hon. S.C. MULLIGHAN: Yes.

Mr COWDREY: Are you able to provide reasons as to why the four applications were withdrawn?

The Hon. S.C. MULLIGHAN: I am. I cannot do that now. It may be that their application did not meet the criteria, or it may be that they have withdrawn because they do not need it anymore, but I am happy to provide that detail.

Mr COWDREY: Has there been any discussion in regard to reform to the scheme, in particular for future rounds, given the cap—is it \$10 million—given where we are from an infrastructure perspective and the size of school campuses now? Has there been any thought or consideration by government into potentially increasing the cap that would potentially attract further schools to become eligible or have their projects eligible for the scheme?

The Hon. S.C. MULLIGHAN: We are certainly open-minded about how we release future rounds of the scheme. We have not made any changes or made any decisions about any changes to the scheme. I certainly had a brief conversation with the education minister. I think last year the deputy leader, the member for Morialta, asked me if we were going to maintain the program and our intention that we would and it remains that we will maintain the program. If we make any changes to it, we will advise that in due course, but we have not made any changes to date.

Mr COWDREY: When do you expect the next round of the program will be open and available?

The Hon. S.C. MULLIGHAN: My understanding is that the third round closed on 7 April 2023 and we have not decided a date or released a date for a subsequent round—round 4—yet, so I cannot give you a particular date because we have not made that decision.

Mr COWDREY: Do you expect that to be this financial year?

The Hon. S.C. MULLIGHAN: Not this financial year—

Mr COWDREY: Sorry, next financial year.

The Hon. S.C. MULLIGHAN: We have not made a decision, so I cannot be definitive, but, yes, I would expect so. We have not formalised any of that yet.

Mr COWDREY: To be clear, it is the 2023-24 financial year.

The Hon. S.C. MULLIGHAN: Yes.

Mr COWDREY: In regard to debt management, Budget Paper 3, page 63, could SAFA provide more information for the committee in regard to the current borrowing profile?

The Hon. S.C. MULLIGHAN: As at the 21st of this month, SAFA had \$30 billion of long-term debt on issue in fixed and floating rate format, with maturities ranging from 20 November this year out to 24 May 2040. The current duration of SAFA's long-term debt on issue is 5.38 years. SAFA's debt on issue was to fund client loans, the Treasurer's general government sector debt, debt refinancing requirements and liquidity management. SAFA targets the maintenance of approximately \$2.5 billion to \$3 billion in short-term debt to manage day-to-day liquidity. SAFA continually engages with its dealer banks and investors, both domestically and globally, to ensure demand for SAFA bonds meets the state's needs and for those existing and new investors.

If it is of interest, the short-term debt profile is as follows: commercial paper as at 21 June 2023 is \$2.95 billion. That compares to the position at 30 June in 2022 of \$2.42 billion. For the AONIA floating rate notes, there is none on issue at the moment and there was \$500 million worth on issue at 30 June 2022. So the total for short-term debt is 2.95 versus a position of 2.92 at 30 June 2022. Does that answer the question? Do you want any further detail?

Mr COWDREY: Yes. In regard to the breakdown of the long-term debt, of that \$30 billion can you provide a breakdown of what is secured for longer than four years, what is secured for longer than eight years and the average interest rate for each of those horizons?

The Hon. S.C. MULLIGHAN: Looking back, at 30 June 2018 the long-term debt was \$17.1 billion and the average debt duration was 3.82. At 30 June 2019, it was 18.8, with a duration of 4.15. At 30 June 2020, it was \$20.1 billion and a debt duration of 4.62. At 30 June 2021, it was \$23.8 billion and average debt duration was 5.48 years. At 30 June 2022, it was \$27.8 billion and an average debt duration of 5.23. At 21 June, as I said before, it was \$30 billion and an average debt duration of 5.38 years. At 30 June 2024, it is forecast to be 34.2, with an average duration of 4.99. At 30 June 2025, it is 35.1, with an average duration of 5.09. In 2026, 41.8, with an average debt duration of 4.66 years, and 30 June 2027 of 43.5 and an average debt duration of 4.81.

Mr COWDREY: Yes, so that is in terms of long-term debt; that is the amount taken and the average duration of debt. Are you able to provide us breakdowns in terms of the total number at this point in time in terms of how much of the long-term debt is due to expire within four years, how much is due to expire within eight years and how much is due to expire within 10 years and the associated interest rates with a four-year horizon, the eight-year horizon and the beyond-10-year horizon?

The Hon. S.C. MULLIGHAN: Yes, we can provide that, and I will provide it on notice, because it is a lengthy and detailed table.

Mr COWDREY: I understand. Are you also able to provide us information in relation to how many of the long-term debt investments are due to expire in the next five years and the interest rate in which those investments are secured?

The Hon. S.C. MULLIGHAN: Yes.

Mr COWDREY: On notice?

The Hon. S.C. MULLIGHAN: Yes.

Mr COWDREY: What has been the average interest rate secured for long-term debt borrowing through SAFA over the previous 12 months?

The Hon. S.C. MULLIGHAN: Rates have fluctuated. In the last financial year SAFA raised \$5.91 billion of cash at an average market interest rate of 4.07 per cent from a combination of fixed and floating rate debt, with maturities ranging from June 2025 to May 2040.

Mr COWDREY: Has SAFA implemented any strategies to reduce potential rate rises, or are you able to give us further information in regard to what SAFA's projections are for expected annual average interest expenses?

The Hon. S.C. MULLIGHAN: I am advised that SAFA does not forecast interest rates and operates as a price taker in markets when it is raising funding to meet its clients' borrowing requirements, whether that is for a specific duration or weighted-cost-of-capital guidelines to meet regulatory requirements, floating-rate funding to hedge mortgage portfolios or working capital. So I cannot be specific about what our expectations of rates are out in the market, but in terms of what the strategies are that SAFA employs, I think it would be fair to say that SAFA is not only an active participant but closely watches what is available in the market and seeks to take advantage of lower cost financing where possible.

Mr COWDREY: Are you able to give the committee any breakdown in terms of where our debt burden lies in terms of markets—how much is invested here in Australia versus how much is invested overseas?

The Hon. S.C. MULLIGHAN: I am advised that 100 per cent of our debt is issued in domestic markets.

Mr COWDREY: It is issued in domestic markets.

The Hon. S.C. MULLIGHAN: Yes.

Mr COWDREY: That is including the short-term liquidity—yes. Has SAFA, through the executive team or the investing team, undertaken any travel in the previous 12 months?

The Hon. S.C. MULLIGHAN: Yes.

Mr COWDREY: Can you provide the committee details of that travel?

The Hon. S.C. MULLIGHAN: There has certainly been interstate and overseas travel, but I am happy to take that question on notice and come back to you with the particulars on that.

Mr COWDREY: Did SAFA executives travel to visit with ratings agencies and similar investing opportunity banks, etc., this financial year?

The Hon. S.C. MULLIGHAN: Yes.

Mr COWDREY: They did so separately to yourself?

The Hon. S.C. MULLIGHAN: Yes.

Mr COWDREY: In regard to the most recently released Moody's statement, what was their commentary, and how does SAFA react to South Australia's debt burden benchmarks?

The Hon. S.C. MULLIGHAN: I think it is worth bearing in mind SAFA has a very specific role and objective, in this respect at least, in terms of raising debt to meet the government's requirements. It does not have a particular view on commentary made by the ratings agencies, noting that levels of indebtedness and those sorts of budget settings are responsibilities for government.

Mr COWDREY: Has SAFA undertaken any modelling in terms of potential impact of downgrading ratings on potential borrowing costs?

The Hon. S.C. MULLIGHAN: Generally speaking, SAFA of course monitors the different costs of debt. My recollection is that when the ratings have changed for South Australia, whether it has been the achievement of a AAA credit rating or the change from AAA down to AA+ or AA+ down to AA, the difference in the cost of debt can be a relatively small number of basis points.

I am happy to come back with further detail on notice, but I can recall from a previous response to this that a change was likely to impact somewhere in the order of six to 15 basis points on particular types of products, but we just do not have that information in particular. I think that is dwarfed by how the market moves almost on a daily basis in terms of what financiers are prepared to offer governments like South Australia in terms of cost of debt at particular points in time.

Mr COWDREY: But SAFA has contemplated that change?

The Hon. S.C. MULLIGHAN: SAFA's view is that they do not sort of isolate particular events. They look at everything that could influence the cost of capital, and the advice that I am provided is that daily fluctuations in the cost of debt can often be greater than any marginal change in the cost of that that may result from a change in credit rating.

Mr COWDREY: Just very quickly, to finish with SAFA, what is the headcount, actual FTE, as we stand today?

The Hon. S.C. MULLIGHAN: I think the forecast at 30 June is 89.8, but I will check that and if it is wrong, I will correct that coming back to the committee.

Mr COWDREY: All positions are filled?

The Hon. S.C. MULLIGHAN: No.

Mr COWDREY: How many vacancies exist?

The Hon. S.C. MULLIGHAN: We will take it on notice. I assume that like most areas of government everyone is slightly below headcount in the current labour market.

Mr COWDREY: What savings task was SAFA allocated last financial year, and what have they been allocated in the coming financial year?

The Hon. S.C. MULLIGHAN: I am not sure that there was a specific allocation made for SAFA. That is something that is determined at the whole of department level. The allocation made for the future year is not finalised yet. There is an additional savings task in this budget for the executive savings, and that is something that will be allocated in the lead-up to the Mid-Year Budget Review.

Mr COWDREY: Did SAFA achieve their savings task from last year?

The Hon. S.C. MULLIGHAN: I am happy to take it on notice and see what detail we can provide. I think SAFA has achieved its forecast budgeted outcomes as far as possible that it can control. Obviously, there are fluctuations in costs of insurance and debt financing costs and outcomes for claims and that sort of thing, but any further detail I am happy to take on notice. Who do you want next?

Mr COWDREY: Funds SA.

The CHAIR: If you could introduce your new staff, Treasurer, that would be good.

The Hon. S.C. MULLIGHAN: This is Jo Townsend, the Chief Executive Officer of Funds SA.

Mr COWDREY: I will begin at Budget Paper 4, Volume 4, page 176, specifically questions in regard to the builders indemnity insurance, if I could. What is the average premium for builders under the builders indemnity insurance this financial year, and has it been finalised for next?

The Hon. S.C. MULLIGHAN: I am happy to take that on notice. That is part of the insurance fund that SAFA manage, but we do have a figure for that and I am happy to provide it for you.

Mr COWDREY: Are you able to give detail in terms of the consultation that has been undertaken by SAicorp with the housing industry this year?

The Hon. S.C. MULLIGHAN: I have written to representatives of the housing construction industry and asked them to participate in a consultation effort for any changes that may be desired in builders indemnity insurance. I am just trying to find that average premium for you. I think it is \$1,300 or \$1,400.

Mr COWDREY: Do you have previous years as well?

The Hon. S.C. MULLIGHAN: The average premium for builders per project is currently \$1,240.45, but there is an average premium per project, depending on the size of the project. For the size of the builder, if their turnover is above \$10 million, the average premium per project is \$1,037.39; if their turnover is \$5 million to \$10 million, it is \$1,902.78; if their turnover is between \$2 million and \$5 million, it is \$1,568.14; and if it is up to \$2 million turnover for a builder, then the average premium per project is \$1,137. So that \$1,240 is a blended overall average across all of those areas.

Mr COWDREY: In regard to the letter inviting consultation that you sent out, were you inviting the building industry to respond to any particular proposed changes?

The Hon. S.C. MULLIGHAN: I guess we have an open mind at this point in time. You probably recall that the thresholds for the total amounts that the insurance can pay out I think caps out at \$150,000, which probably most people would think is not as contemporary as it could be, but there are a whole range of issues. We have a pretty open mind about what changes we make, but we have to bear in mind that if we make the scheme more generous that may come at a cost of higher premiums, so we will have to balance those considerations as we go through it.

Mr COWDREY: So there were no specific suggestions outlined in the letter that you—

The Hon. S.C. MULLIGHAN: There may have been. I do not have the letter or the outcomes in front of me, but while the revenue raised from premiums has served to cover the costs going out of the fund in more recent times, only going back two or three years it was the case that the premium revenue was not covering payments being made from insurance claims. There is obviously the base consideration of whether the operation of the scheme is sufficient to maintain enough reserves in there or solvency of the fund, what is covered—I guess some more operational issues as well where we have had builders that have struggled to be able to take on new projects because they hit their limit under the insurance.

There have been a number of occasions, I think, where builders have sought to have QBE change their arrangements so that they can take on more work and QBE in turn needing to be satisfied that they have the financial capability to be able to satisfy that work. Across that whole range, if not others, there are a range of concerns that we have about whether the scheme operates sufficiently to meet its intended purpose, and no doubt there are a whole range of concerns that the building industry has as well.

Mr COWDREY: Has there been an increase in instances of builders not taking out cover notes this year?

The Hon. S.C. MULLIGHAN: I guess in overall terms we do not believe there has been a significant increase in the number of building projects that have been undertaken without the necessary cover. However, I should confirm that there have been building projects that have been taken out without that cover. There has been one—I am not sure whether it is appropriate for me to mention them—fairly high-profile building company collapse where there have been a number of instances of projects that were commenced by that builder without the necessary cover in place. The advice I have just received is that there has not been a significant uptick, there has just been the continuation of a small number of projects that have been commenced without the appropriate cover.

Mr COWDREY: If you have those numbers are you able to provide them for—

The Hon. S.C. MULLIGHAN: Yes, I am happy to take it on notice.

Mr COWDREY: —the previous five financial years, including this one?

The Hon. S.C. MULLIGHAN: Yes. I may need to go back to—if SAFA does not have them, I may need to go back to QBE, but I am happy to make those inquiries and provide it.

Mr COWDREY: Are you able to give an outline of the headcount and actual FTE for Funds SA as of today?

The Hon. S.C. MULLIGHAN: The forecast full complement of staff is 83.2. The actual number is significantly below that. I do not have the figure—I am happy to provide it—but it is

approximately 70 staff. Again, that reflects current labour market conditions. They have not been able to fill all positions, including when the regular turnover happens from year to year.

Mr COWDREY: What savings task was Funds SA allocated this financial year?

The Hon. S.C. MULLIGHAN: They do not get a particular savings task, or I should say they have not had a savings task this financial year. I am further advised that the fees that Funds SA have charged to their clients, in order to manage and invest their funds, have fallen from 1 per cent to 70 basis points and that has saved those clients in the order of a couple hundred million dollars.

Mr COWDREY: What is the annual saving that was achieved this financial year for the non-filling of the near 14 FTE that Funds SA have been carrying empty?

The Hon. S.C. MULLIGHAN: We will take that on notice.

Mr COWDREY: In regard to Budget Paper 4, Volume 4, page 181, there are a couple of follow-up questions in regard to the Riverland flood ESL bills and how the decision was made to effectively, without any knowledge of those potential flood victims, have their outstanding amounts, having not paid bills, automatically rolled over to the next financial year. Who made that decision to delay FY 2022-23 ESL follow-up letters and to add the outstanding amounts to this year's ESL bills?

The Hon. S.C. MULLIGHAN: I am advised that some previous advice or evidence has been given to the Economic and Finance Committee on this. I am advised that an administrative decision was made by the commissioner to hold off issuing further notices, or final notices, or whatever the correct terminology is for bills that have not been paid for the 2022-23 financial year, in some recognition that those bill recipients may be in difficult circumstances.

I think the point that was raised at the Economic and Finance Committee is acknowledged that, while the intention of holding off pursuing those bills to not further extenuate any difficult financial circumstances was considered for that reason, it may have created an issue of uncertainty that you have highlighted. It is still being considered by RevenueSA as to how we manage this without imposing further either burdens or anxieties to people who have ESL liabilities.

Mr COWDREY: Has RevenueSA sought to contact the 1,500 people since we discussed this issue at EFC?

The Hon. S.C. MULLIGHAN: My advice is RevenueSA has not contacted them since the Economic and Finance Committee hearing, bearing in mind that the subsequent round of bills for the 2023-24 financial year is due shortly and RevenueSA is finalising its intentions of how to communicate with those property owners or those bill recipients for that to explain their current liabilities, whether it is just for that year or whether it is for the preceding 2022-23 year, and then also what their options are in meeting their obligations.

Mr COWDREY: So you have acknowledged that there is uncertainty and have not contacted the 1,500 people who have uncertainty?

The Hon. S.C. MULLIGHAN: I am advised that property owners have received their bill for the 2022-23 year. For those people who have not paid their bill—that is the cohort we are talking about—as to whether they are to receive a follow-up notice, a reminder notice, to pay that, the decision was made not to do that at this point in time given the situation that many of those property owners are still experiencing in the Riverland.

The advice I receive is that, bearing in mind that the next bill cycle is about to run, RevenueSA is now working through how they are going to communicate with those people who received the 2022-23 bill, have not paid it, have that outstanding liability and then get the 2023-24 bill, how they will communicate with those property owners so that they can provide them with a straightforward understanding of what their situation is, what their liabilities are and then what their options are in meeting those obligations.

Mr COWDREY: The issue here is that the flood came through, and obviously we have ESL bills that go out from late July—I think that is the first round—or August or even later. Potentially, these people received their bills in November or December. It has been stuck on the fridge. The fridge has washed away in the flood. I am sure it certainly would not be front of mind for those people

who have been affected by floods to pay that bill that may or may not still be attached to the fridge that may or may not still be in their kitchen.

Given that the quantum we are talking about is 1,500 people, should there not be some form of communication with these people to let them know that they should or should not be expecting a double-sized bill coming next year, depending on the decision of RevenueSA? Is that not something that they warrant, at least that form of communication, to ease that level of uncertainty?

The Hon. S.C. MULLIGHAN: I understand the point you are making, and it is not an unreasonable point, but the flip side is there is no point sending another bill or another communication out to that property owner so that it may or may not be attached to a fridge that may or may not be there that may or may not have been washed away. That is why RevenueSA in this instance, as far as I am advised, has tried to be a bit more flexible than it otherwise would be in dealing with these property owners.

I take your point about them wanting certainty, but I am advised the approach from RevenueSA has been motivated by not providing further sources of stress and anxiety to people who are going through an extremely difficult, once in more than 50 years, flood event. I went through the detail of how much relief from various state government taxes and levies we have currently provided. The government is trying to be accommodating for people's circumstances, whether it is a physical circumstance for their property or whether it is a financial circumstance for them. We remain open-minded to it.

We have not sought not to communicate with them to exacerbate a problem: we have sought not to communicate with them so as not to place further stresses or anxieties on them, but I take your point that may not be the way that intention has been received. If people who are directly impacted by this feel that we should have done it a better way, I am happy to take that on board, and we are happy to consider how we can treat the people who are affected in the Riverland with greater consideration and courtesy.

Mr COWDREY: In regard to RevenueSA and the HomeBuilder scheme listed in the highlights section of the budget paper in Volume 4, how many total applications were received for the HomeBuilder grant?

The Hon. S.C. MULLIGHAN: 14,082.

Mr COWDREY: How many applications were accepted?

The Hon. S.C. MULLIGHAN: 11,794.

Mr COWDREY: How many applications were processed within the time frame?

The Hon. S.C. MULLIGHAN: I am happy to take that on notice, but between the 14,082 and the 11,794, 1,196 were withdrawn or declined, and 1,092 are pending or at various stages of progress awaiting receipt of additional information from the applicants.

Mr COWDREY: Has the government communicated with any of those who were declined or withdrawn about the change in deadline?

The Hon. S.C. MULLIGHAN: Yes.

Mr COWDREY: In regard to the First Home Owner Grant that has obviously been continued, are you able to provide the underlying assumptions that lie with the allocation provided in the budget this year?

The Hon. S.C. MULLIGHAN: You mean in terms of how we have provisioned a total amount of expenditure for the \$15,000 grants?

Mr COWDREY: Yes, essentially the number of applicants you are expecting to—

The Hon. S.C. MULLIGHAN: Yes, happy to take that on notice.

Mr COWDREY: The same question as to the previous agencies: the total headcount and FTE as of today?

The Hon. S.C. MULLIGHAN: There are 159 FTEs budgeted and the projection is that 153 of those positions are occupied, and there are four temporary staffing arrangements.

Mr COWDREY: In regard to budget savings, what was allocated last year and what has been allocated this year?

The Hon. S.C. MULLIGHAN: I will take it on notice.

Mr COWDREY: We will move to Super SA.

The Hon. S.C. MULLIGHAN: I have Dascia Bennett here, the Chief Executive of Super SA.

Mr COWDREY: It is in the reverse in some ways to start here. Budget Paper 4, Volume 4, page 151: your budgeted FTE this year was 243; next financial year, 267.7. Are you able to outline the actual number of people within Super SA as of today and outline the reason for the significant increase in headcount?

The Hon. S.C. MULLIGHAN: I am looking at Budget Paper 4, Volume 4, page 152. The budget for this year was 258.5, an estimated result of 243 and then the budget of 267.7. You are asking about the increase from 258.5 budgeted last year to the 267?

Mr COWDREY: Yes, sorry, I must have read out the wrong figure.

The Hon. S.C. MULLIGHAN: I am advised that there are actually 251 to be funded by Super SA and then the Department of Treasury and Finance has service level agreements with a number of its attached areas like Super SA for corporate services, which attracts a further 16.7 FTEs.

Mr COWDREY: So that service level agreement sits across all agencies?

The Hon. S.C. MULLIGHAN: Yes, for example, the Office of the Under Treasurer, the Treasurer's Office, ICT services, people and performance, financial services and risk and audit.

Mr COWDREY: So just looking at Treasury—

The Hon. S.C. MULLIGHAN: Broadly across government.

Mr COWDREY: Yes. To continue that same standard, were you provided with savings allocations last year, and have you been provided one this financial year?

The Hon. S.C. MULLIGHAN: There was no savings task on Super SA because essentially their operations are self-funded. They are funded by member fees for each superannuant that has their superannuation account with Super SA.

Mr COWDREY: In regard to the significant changes that have been undertaken and the reform around choice of fund, are you able to advise how many superannuants have taken up that option?

The Hon. S.C. MULLIGHAN: I am advised that 7 per cent of new employees to the South Australian government—so people coming into the government for the first time—are making a fund selection.

Mr COWDREY: A fund selection outside Super SA?

The Hon. S.C. MULLIGHAN: Yes, outside of Super SA, that is right. That is 13 per cent less than the predictive modelling that was undertaken before the commencement of the choice of fund regime. I am advised that, of the current active Triple S membership, 1 per cent of those have made a fund selection. That would be approximately 2,000 members out of the 200,000-odd cohort who have made a fund selection.

Mr COWDREY: Do you have the raw numbers for this year in terms of those who have elected to—

The Hon. S.C. MULLIGHAN: I am not sure I have the raw numbers, beyond the percentages, but I am happy to take that on notice and bring it back to you.

Mr COWDREY: What was the total cost of the new offering?

The Hon. S.C. MULLIGHAN: Do you mean in terms of what the member fee is or the cost of implementing it?

Mr COWDREY: The cost of implementation.

The Hon. S.C. MULLIGHAN: I will come back with a more precise and accurate answer, but I am advised that it was approximately \$6 million.

Mr COWDREY: Of those 7 per cent who chose not to take up the choice of fund for Super SA, and the 1 per cent who have since left who were existing within the Triple S scheme, do you collect data from those who chose to leave the scheme, or have chosen not to take up the scheme? Was there a reason provided? Did they indicate whether they had gone to an industry fund or to a self-managed super fund?

The Hon. S.C. MULLIGHAN: My understanding is that it is easier for Super SA to understand where the existing public servants are moving to, because we have to facilitate the move. I am advised that the majority of those are into self-managed super funds. Of the 7 per cent, we can see what information we have but I suspect that Super SA may not have that information, because it is actually the employer—for example, a department like the Department of Treasury and Finance or the Attorney-General's Department or SA Health or whatever—as the agency responsible for remunerating the employee which has to facilitate the direction of the superannuation guarantee amounts at the employer level. Anyway, I am happy to take it on notice and see what information we have.

Mr COWDREY: Do you have a breakdown in terms of average age for those who have elected to leave the Triple S scheme?

The Hon. S.C. MULLIGHAN: We could provide that, but I would have to take it on notice and come back to you.

The Hon. D.G. PISONI: Treasurer, are you able to advise whether the uncapped nature of contributions continues if people move out of the state scheme as state government employees?

The Hon. S.C. MULLIGHAN: For example, if regular members of the Triple S scheme have a greater capacity to make salary sacrifice payments, whether they are able to do that when they move to an industry fund or—

The Hon. D.G. PISONI: Yes; basically contributing to the state scheme, Super SA, it is unlimited—you can continue to add to it—but there are limits on private sector ones.

The Hon. S.C. MULLIGHAN: My advice is that if you transfer over to a private sector scheme, like an industry fund or something like that, you do not retain the entitlement to make a greater salary sacrifice contribution beyond the mandated caps that apply to those regular industry or private sector funds.

Mr COWDREY: In regard to advertising that change of fund is now available for members, what actions have been taken by Super SA to ensure that all members of the Triple S scheme are aware that that is an option for them?

The Hon. S.C. MULLIGHAN: I am advised that all members have been notified in the form of what is called a significant event notification. Regular communications with members include information about the choice of fund, and when somebody joins the public sector they are made aware—I presume when they are filling out their employment paperwork—that there is choice of fund available for them.

Mr COWDREY: When you say a significant event notification, is that via post, is that via email? What is the form of communication?

The Hon. S.C. MULLIGHAN: I am advised that members are able to determine how they receive communications from Super SA, so for those who choose to receive their communications electronically, they would have got it electronically; for members who have not elected to do that, they would have got it by post.

Mr COWDREY: And that has been communicated once in that manner?

The Hon. S.C. MULLIGHAN: I am advised that a significant event notification is a term and a requirement imposed on superannuation schemes via commonwealth regulations, so when something—I was going to say 'significant'—momentous happens in the change of administration of a fund the fund's administrators are obliged to communicate that in a particular form according to that commonwealth regulation, and that has been completed. I am also advised that in the ongoing periodic communications that Super SA has with its members, information about choice of fund is also included in those subsequent communications.

Mr COWDREY: You undertake a survey to members reasonably frequently?

The Hon. S.C. MULLIGHAN: I am advised that there is an annual survey which is undertaken, but I am also advised that there are intervening periodic surveys, which can be as frequent as weekly or monthly, depending on what campaigns are being run by Super SA at the time.

Mr COWDREY: Has it been contemplated by Super SA to add a question in there as to whether fund members are aware of the choice of scheme option?

The Hon. S.C. MULLIGHAN: I am advised that that particular question has not been the subject of a survey since the choice of fund regime's inception, but it has formed part of the membership surveys which were conducted in the period of time preceding the choice of fund to try to gauge members' interest or willingness or propensity to participate in that sort of regime should it be available in the future.

Mr COWDREY: Is that something that Super SA would contemplate doing in the future?

The Hon. S.C. MULLIGHAN: Yes, it would be.

The Hon. D.G. PISONI: Same line, Treasurer: the Triple S Flexible Rollover income stream, and select members can check account balances, switch investment options, opt into online communications through the scheme's member portal. That service, however, is not available to PSS3 members.

The Hon. S.C. MULLIGHAN: This is a matter of great importance.

The Hon. D.G. PISONI: Is there a reason for that?

The Hon. S.C. MULLIGHAN: Yes, I am interested in this.

The Hon. D.G. PISONI: Are we expecting to see any change?

The Hon. S.C. MULLIGHAN: My advice is that the parliamentary superannuation schemes are still administered on a legacy platform, and have not yet transferred to the newer, more contemporary platform that the regular Public Service superannuation schemes are operated on, but it is the intention to do that over the next 12 months, and that would provide the capabilities that you mentioned before in terms of logging in and checking balances and other supports and services that are available to regular members of the public sector schemes.

Mr COWDREY: HomeStart.

The Hon. S.C. MULLIGHAN: I have Andrew Mills, the Chief Executive, and Braden Naylor, the CFO from HomeStart, with me.

Mr COWDREY: Budget Paper 1, pages 6 and 7. I have both listed here, so apologies; it is one or the other just in regard to the 2 per cent home deposit loan for first-home builders. When did the new low deposit loan commence?

The Hon. S.C. MULLIGHAN: It has not commenced. It is currently forecast to commence on 1 July 2024, and HomeStart is undertaking work at the moment on their systems to see if they can bring that availability forward to do it earlier in the midst of a financial year rather than at the commencement of one.

Mr COWDREY: With regard to the operating initiatives in the budget associated with HomeStart, is the cost associated with the implementation of the new plan the systems upgrade?

The Hon. S.C. MULLIGHAN: No, I am advised that the additional funding is a change in the CSO payments that the government is making to HomeStart in order to cover off any increase in risk from these loans.

Mr COWDREY: How many loans has HomeStart forecast that they expect to be taken out with this product?

The Hon. S.C. MULLIGHAN: Specifically, for the 2 per cent product, the amount of the CSO payment is based on 75 additional loans per year, but should the take-up be higher than that, then that would change their CSO payment. It may well be much higher than that, of course, because there are existing low deposit loans for this purpose, which have a higher deposit requirement, and once this becomes available we would imagine that those numbers of loans may start transitioning across to this as well.

Mr COWDREY: So the net increase in terms of people accessing HomeStart loans as a result of this you are estimating to be 75 people a year from 2024-25?

The Hon. S.C. MULLIGHAN: Yes, we do not really have a basis for estimating how many people are going to take this up because it is not just the availability of a low deposit loan; it is also for the first time the abolition of stamp duty for first-home buyers on homes to be built and it is almost impossible to understand how each initiative separately is going to impact the cost of this measure but also together what that is going to mean. We have a baseline assessment in order to inform an additional contribution that the government can make for HomeStart, but we are not going to know until we are into the early months of this being rolled out what the take-up rate is like.

Mr COWDREY: Remind me: was this an election commitment that was made?

The Hon. S.C. MULLIGHAN: No, the election commitment was made for a low deposit loan at 3 per cent. We have found that there is the capacity to make it even more attractive by offering an even lower deposit loan at 2 per cent. That is what this budget does: it takes up that opportunity.

Mr COWDREY: And that 3 per cent loan was operational soon after the election, on 1 July last year?

The Hon. S.C. MULLIGHAN: The 3 per cent loan had existed previously for graduates, for people with certificate III vocational education qualifications and above, and HomeStart had advised that they were able to make that more attractive to graduates building their first home by changing that to 2 per cent. This effort expands this beyond people who qualify for the graduate loan—i.e. people who meet other lending criteria but may not have a certificate III or above to an additional cohort—so that is what has happened.

I guess in some respects the election commitment has been partially accessible, but only accessible by those people who have those graduate qualifications. This seeks to change it to basically all eligible first-home buyers or home builders, even those without those specific qualifications.

Mr COWDREY: Over the first 2½ years of the government, there effectively had been no change to the graduate loan whatsoever and those who were eligible to access it?

The Hon. S.C. MULLIGHAN: No, the graduate loan has been available at a 3 per cent deposit. That has been changed to a 2 per cent deposit and then this measure will see it broadened further to all eligible South Australian first-home builders, not just those with graduate qualifications that would qualify them for the graduate loan.

The CHAIR: One more question.

Mr COWDREY: How many graduate loans were written in 2021-22 versus 2022-23?

The Hon. S.C. MULLIGHAN: Do not read anything into this, but I am advised it was an average of 666 per year.

Mr COWDREY: Do you have the raw numbers for each? That is the average.

The Hon. S.C. MULLIGHAN: I have the current year, which is the 2022-23 financial year to April, and that was 688. I have just been advised the average across years was 666 but I will come back to you with a breakdown across financial years.

Mr COWDREY: Which financial years was that average over?

The Hon. S.C. MULLIGHAN: I will come back to you and provide that. I am sorry, we are just struggling to find the detail.

Mr COWDREY: I will just qualify: if you can provide the—

The Hon. S.C. MULLIGHAN: The year-specific graduate loan—

Mr COWDREY: —year-specifics 18 and projection moving forward.

The Hon. S.C. MULLIGHAN: Sure.

The CHAIR: The allotted time having expired, I declare the examination of the portfolios of South Australian Government Financing Authority, Funds SA, RevenueSA, Super SA and HomeStart completed.

Departmental Advisers:

Mr R. Persse, Under Treasurer, Department of Treasury and Finance.

Ms T. Pribanic, Deputy Under Treasurer, Department of Treasury and Finance.

Mr M. Carey, Executive Director, Shared Services.

Mr S. Bayliss, Chief Services Officer, Department of Treasury and Finance.

Mr A. Coates, Chief Executive Officer, South Australian Government Financing Authority.

Ms J. White, Director, Insurance and Fleet SA, South Australian Government Financing Authority.

Ms K. Birch, Chief Executive, CTP Regulator.

Ms J. King, Executive Director, Procurement Services SA.

Ms K. Smith, Acting Chief Executive, Lifetime Support Authority.

Mr B. Petrovic, Director, Corporate, Lifetime Support Authority.

Mr I. Nightingale, Industry Advocate.

The CHAIR: The proposed payments portfolios are CTP Regulator, SA Government Insurance and Fleet, Strategic Procurement, Industry Advocate and Shared Services, and the minister appearing is the Treasurer. I advise that the proposed payments remain open for examination. I call on the minister to make a statement, if he so wishes. I call on the lead speaker to make a statement, if he so wishes. I gather you both do not want to do that—that is an assumption on my part—so I call on members for questions.

The Hon. S.C. MULLIGHAN: I have with me the Chief Services Officer of Shared Services, Scott Bayliss, and Mark Carey, the head of Shared Services, is just coming through now. I am happy to proceed if you like.

Mr COWDREY: Budget Paper 4, Volume 4, page 155. What is the government's policy regarding payment of invoices? The Shared Services website currently states that the SA government aims to pay all invoices within 30 days of being received.

The Hon. S.C. MULLIGHAN: That is correct. Our election commitments, though, also included a commitment, as part of our procurement reforms, to change the number of days in which agencies have to make payments to 15 calendar days. That is to become effective from 1 July 2024. We have been communicating with agencies that the change is coming in and that they will need to prepare their systems and their operations to make sure that they can give effect to that, because

that will mean that obviously there will need to be much greater attention paid to processing and dealing with invoices to enable Shared Services to make those payments within the 15 calendar days.

Mr COWDREY: So we are nearly 15 months into this government. We still have the expectation of 30 days at Shared Services on their website. We still have 30 days as the metric that Shared Services is being held to in terms of their delivery target. Why has it taken so long to implement these changes? Was it not a priority for the government to ensure that contractors are provided their invoices within what the government had told South Australians they were wanting to do?

The Hon. S.C. MULLIGHAN: It is a priority, but it is not something that can be instantly achieved. We process tens of millions of invoices and payments a year and there needs to be a change not only to Shared Services' operations in order to give effect to this. Shared Services has a responsibility to process payments on behalf of other government agencies and it requires a change across all of those government agencies, subject to this policy, to make sure that they have the systems capability and the processes in place so that Shared Services are in receipt of appropriately authorised invoices to be paid within 15 calendar days.

At the moment it is double that amount of time, so there is conceivably a number of weeks that agencies have to get an invoice, review it, authorise its payment, submit it to Shared Services and then have Shared Services pay it within 30 days. Contracting that by 50 per cent means that Shared Services has to have that invoice very quickly so that they can process it accordingly. The other thing you have to realise is it is not just about the payment of invoices. For those invoices that are late beyond that 15 days, they will then start attracting the regime that was introduced by the former Labor government of making interest payments on those late payments as well.

Getting that regime into place by 1 July 2024 necessitated the Department of Treasury and Finance going out and advising all the agencies during the course of calendar 2022 what the policy was going to be, consulting with them about how it was going to work from Shared Services' perspective, what they would need from those agencies and in what time frame. Cabinet also had to, along with all the other procurement reforms that have been approved, make that policy change and ensure that it applied to agencies. Now we are going through the process of Shared Services working through those agencies to make sure they have the systems and processes in place to give effect to it.

Mr COWDREY: What percentage of invoices were paid within 15 days this financial year and to what total value?

The Hon. S.C. MULLIGHAN: My understanding is that from 1 February 2023, since that time, 92.76 per cent by volume and 81.79 per cent by value of invoices processed by public authorities were paid within 15 calendar days or less.

Mr COWDREY: Sorry, from when?

The Hon. S.C. MULLIGHAN: From 1 February this year, 2023, so since that point in time, 92.76 per cent by volume and 81.79 per cent by value of invoices processed by public authorities were paid within 15 calendar days to date. So some 14 or 15 months in advance of the date where it is required to come into effect, the performance is already at more than 92 per cent of invoices by volume.

Mr COWDREY: So you have confirmed that late payment interest will be added as of 1 July 2024 as well?

The Hon. S.C. MULLIGHAN: Yes, that is the intention. There is a legislative change which is required to give effect to that, which has not been considered by the parliament yet. We have to bring that before the parliament. The Late Payment of Government Debts (Interest) Act 2013 has to be amended to give effect to that changed time frame.

Mr COWDREY: Is the intention to still have government departments responsible paying that late payment, or is it Treasury that will be paying?

The Hon. S.C. MULLIGHAN: God forbid it will be Treasury paying.

Mr COWDREY: I did not expect so.

The Hon. S.C. MULLIGHAN: No. It is still the intention that the client agencies, in effect, would be paying that interest.

Mr COWDREY: In regard to the 15 days, has there been a discussion in terms of how this breaks down? Does the authority to pay from the department or the agency need to be provided within 10 working days, and then Shared Services is left with five? I know that one of the contentions previously in regard to late interest payments is when the transfer of authority is shifted from the department to Shared Services. Is Shared Services going to be taking on any of the potential risk in terms of late payment, and will they be responsible for any depending on when authorities transfer?

The Hon. S.C. MULLIGHAN: For context, there are three phases to this process. Invoices are received by Shared Services, they are sent out to the agencies responsible for consideration and authorisation of those payments, and then it comes back to Shared Services to be paid.

Mr COWDREY: Where there is an agency agreement.

The Hon. S.C. MULLIGHAN: Where there is an agency agreement?

Mr COWDREY: Some are still processed through agencies directly.

The Hon. S.C. MULLIGHAN: Yes. The discussions that have been undertaken to date between Shared Services and the agencies have tried to arrive at an arrangement where the amount of time out of the 15 calendar days—not working days: calendar days—is maximised for the agencies rather than for Shared Services. That has been the focus of discussions to date.

Mr COWDREY: In regard to the statistics that were provided earlier in terms of the number of payments made within 15 days and those outside of 15 days, can you please provide that statistic as a breakdown by financial year from 2018 through to when the current financial year ends?

The Hon. S.C. MULLIGHAN: We have not been capturing that data since 2018.

Mr COWDREY: So you started capturing it as of when?

The Hon. S.C. MULLIGHAN: As of 1 February 2023.

Mr COWDREY: So how do you know it was not the case that 97 per cent were paid within 15 days prior to that?

The Hon. S.C. MULLIGHAN: Obviously, we have been capturing the data for 30 days since 2018. I think we have been capturing it for 20 days on the back of, at that point in time, a national cabinet objective that state and territory governments would be able to meet that time frame. The experience, based on the 20-day and 30-day data, is that year on year it has continued to improve, but I am not able to go back retrospectively and say what it was for the 15 days because that was not a target previously.

Mr COWDREY: Are you happy to provide the 20-day data if you have it?

The Hon. S.C. MULLIGHAN: I understand it is published on the Shared Services website every month.

Mr COWDREY: Is it published in a monthly fashion or by financial year?

The Hon. S.C. MULLIGHAN: Monthly.

Mr COWDREY: Can you accumulate that to financial years and provide the 20-day data from 2018, if that is possible?

The Hon. S.C. MULLIGHAN: Yes.

Mr COWDREY: Taking you to page 156 of the budget papers in regard to the number of complaints to Shared Services actioned within 10 business days, the target remained the same at 100 per cent year on year, but last year the achievement was 95 per cent and this year it was 70 per cent. Are you able to provide an explanation as to why Shared Services has had such a significant drop-off in servicing complaints?

The Hon. S.C. MULLIGHAN: In that same table it states:

The lower 2022-23 Estimated Result reflects a small total number of complaints received from members of the public during 2022-23. Three of these complaints were complex payroll-related (from former employees) and the current process is being reviewed to ensure the complainant is contacted within 10 business days.

The other advice I have received is that it only takes a very small number of complaints, because overall we receive a very small number of complaints, to significantly skew the data and that is what has driven that particular result in the last financial year.

Mr COWDREY: So how many complaints are we talking about?

The Hon. S.C. MULLIGHAN: I think these figures reflect three complaints, but if there is any further detail we can provide I am happy to bring it back to the committee.

Mr COWDREY: Three out of 10 or three total?

The Hon. S.C. MULLIGHAN: Three out of 10 that were outside.

Mr COWDREY: Can we move on to Procurement Services?

The Hon. S.C. MULLIGHAN: I have with me Jody King, the Acting Executive Director of Procurement Services.

Mr COWDREY: On Budget Paper 4, Volume 4, page 157, the first highlight notes that 13 of the government's policy commitments in this area have been implemented. Are you able to list which 13 have been?

The Hon. S.C. MULLIGHAN: The ones that have been delivered is what you are seeking?

Mr COWDREY: Yes.

The Hon. S.C. MULLIGHAN: South Australian workers must deliver a minimum 90 per cent of labour hours on major infrastructure projects worth more than \$50 million; 20 per cent of all labour hours on major projects must be delivered by apprentices, trainees, Aboriginal workers and the long-term unemployed. Government projects worth more than \$55,000 must use local project managers, architects, designers, engineers, surveyors, planners and other professional service providers.

The construction of public housing requires the use of South Australian manufactured products where possible. Procurement opportunities are published on the government's forward procurement plan three months in advance to enable local businesses to prepare for tender opportunities. An annual pipeline detailing construction projects above \$10 million for the next three-year period is made publicly available to enable lead contractors to prepare thoroughly.

Public projects above \$500 million will be broken into smaller stages or components to allow multiple South Australian businesses the opportunity to participate on projects, unless the nature of the project makes this unfeasible. Any contract worth more than \$55,000 awarded to interstate or overseas suppliers must be approved by the respective chief executive.

Public authorities are required to report on contracts that are awarded to non-South Australian businesses. Public authorities are monitoring the payment of their invoices with the aim to pay contractor invoices within 15 days, as we just discussed, and an independent complaints process established for tenderers who feel they have been unreasonably missing out on government work.

They are the ones that have been approved and mandated by cabinet. Obviously, with respect to the infrastructure ones, for projects only just contracted and not yet under commencement, it is too early to assess the 90 per cent of labour hours or 20 per cent of labour hours targets, but those are the 13 policies that have been implemented to date by the government.

Mr COWDREY: How do you say that the 15-day requirement for government departments to pay contractors has been implemented when it does not start until 1 July next year?

The Hon. S.C. MULLIGHAN: Cabinet has authorised the change of that policy, which is to apply to all agencies. Obviously, there is a start date for that. In the same way, I cannot say that we

have implemented that South Australian workers must deliver 90 per cent of labour hours on major infrastructure projects, because there are infrastructure projects which have been contracted but not yet commenced or are still out to tender, etc. But in terms of requiring the changes to procurement policies to being in effect for agencies, cabinet has made that decision and they are in the process now of being carried out and adhered to.

Mr COWDREY: How many procurement outcomes has your CE signed off since this new policy came to fruition?

The Hon. S.C. MULLIGHAN: I have got the figure and I am happy to provide it, but I understand it is less than five, for example.

Mr COWDREY: When did the policy come into practice?

The Hon. S.C. MULLIGHAN: I am advised that it was 20 February this year.

Mr COWDREY: 20 February this year?

The Hon. S.C. MULLIGHAN: Yes.

Mr COWDREY: Is there any minimum requirement in terms of cost?

The Hon. S.C. MULLIGHAN: Sorry?

Mr COWDREY: Is there any minimum requirement in terms of cost—so all procurement outcomes that are awarded to non South Australian companies are signed off by the CE, as of 20 February 2023?

The Hon. S.C. MULLIGHAN: If they are worth more than \$55,000.

Mr COWDREY: Where was that quantification in your election policy?

The Hon. S.C. MULLIGHAN: I do not have my election policy in front of me, but that is the advice that I have just provided to the committee.

Mr COWDREY: I can assure you that qualification was not in there. In regard to tenders that have come out that were executed after that date, the Adelaide Entertainment Centre internal cladding procurement that was worth \$1.7 million, awarded to a WA-based company, was that signed off by the CE?

The Hon. S.C. MULLIGHAN: It is not something that is signed off by the Department of Treasury and Finance, but I am happy to take that on notice and see what information I can provide. As you can imagine, for those sorts of building works, projects or infrastructure projects, it is usually the purview of the Department for Infrastructure and Transport rather than for us, but I am happy to see what information I can provide.

Mr COWDREY: So the Attorney-General's Department would have signed off on the court reporting services tender worth \$2.2627 million that was awarded to a Victorian-based company for court reporting services?

The Hon. S.C. MULLIGHAN: Quite possibly. You would have to ask the Attorney-General.

Mr COWDREY: And the Adelaide Venue Management Corporation CE, who I think reports in through the Department of the Premier and Cabinet or the Department for Infrastructure and Transport?

The Hon. S.C. MULLIGHAN: Yes, I think the Premier is next door if you want to run down and ask him.

Mr COWDREY: That is very helpful for you, but you are assuring me that—

The Hon. S.C. MULLIGHAN: No, it is just how we arrange government.

Mr COWDREY: You are assuring me that CEs signed off on every one of these procurements?

The Hon. S.C. MULLIGHAN: I cannot provide you that assurance. I can just tell you what the policy is and what our CEs are expected to do.

Mr COWDREY: What are the repercussions for CEs if they are not signed off? What is the definition of 'must'?

The Hon. S.C. MULLIGHAN: I will see if somebody can furnish you with a dictionary. Let me get you some advice on the repercussions. There is a requirement for chief executives to report their compliance to the Premier each year. My understanding—and I will have to check this because it is not my portfolio area—is that chief executives must report as part of their performance agreements in the terms of their employment with their successful delivery of election commitments.

Mr COWDREY: Is strategic procurement providing any sort of audit over those sign-offs?

The Hon. S.C. MULLIGHAN: There are reporting requirements which agencies have, and that is information that is to be provided to Procurement Services, but there are not further auditing requirements which are undertaken outside of those reporting arrangements.

Mr COWDREY: What has happened to the other election commitments that you have not listed—the target of an increase of \$425 million a year in spending going to SA businesses, the setting aside of 1 per cent of government project funding to subcontractor support funds, the requirement for departmental procurement staff to undertake regular training on the industry participation policies and local industry participant providers, the—

The Hon. S.C. MULLIGHAN: Yes, there are a few; I am happy—

Mr COWDREY: —commitment to hold regular industry-specific workshops conducted by the Industry Participation Advocate—

The Hon. S.C. MULLIGHAN: That has been delivered. They are underway. In fact I have attended one, along with Andrea Michaels. The setting aside—

Mr COWDREY: How many businesses attended?

The Hon. S.C. MULLIGHAN: There were nearly 300 people there. I will ask for some advice from the Industry Advocate. The setting aside of 1 per cent of government funding into a subcontractor support fund discussions are continuing between the South Australian Government Financing Authority, the Department for Infrastructure and Transport and industry representatives to work out how best to deliver that. What we are aiming to achieve, obviously, is to support quicker payments to subcontractors and better compliance with obligations in the industry, but that remains in process.

In regard to the other election commitment of reviewing all government procurements by the Marshall Liberal government to identify contracts awarded to interstate or overseas companies against industry participation and government procurement policies, that work continues. We will be publishing the outcomes of that behaviour as well in addition to the information that has already come to light in that regard—some of the more questionable processes that were undertaken between 2018 and 2022.

Also, as we have discussed, requiring lead contractors delivering state government projects to pay subcontractors within 15 days, similar to our 15-day requirement, is to come into effect on 1 July 2024, so in about 12 months' time.

Mr COWDREY: So we can expect next year's budget papers to reflect payments to be made within 15 days—KPI within Shared Services?

The Hon. S.C. MULLIGHAN: We may publish a KPI. We will not have any data, of course, because it may not have come into effect. The other one that you mentioned was the meet-the-buyer industry forums. The event that I attended on 28 March was attended by 600 people representing 300 businesses, and there were 34 state government public authorities that had displays there as well as four lead contractors currently delivering South Australian government funded projects with exhibitions.

You also mentioned the \$425 million of additional goods and services procurements to be awarded to South Australian businesses. That target has been allocated across agencies, and they are required to report against that after the conclusion of this financial year.

Mr COWDREY: In terms of how these policies are going to be communicated—the achievement or non-achievement of—is there any desire from strategic procurement to publish achievement against these policies online in any way to make it publicly available to businesses?

The Hon. S.C. MULLIGHAN: Yes, there is. I am not sure we have resolved what the reporting regime will be, but from my perspective as the minister responsible for procurement policy, reporting and transparency of this for agency performance is really important in order to encourage them to comply with the policies that cabinet has imposed on them. If there is no transparency or reporting arrangement then there is less incentive for them to comply, so, yes.

Mr COWDREY: Are you planning to put your election commitments up on a government website as you promised to do I think about 15 months ago?

The Hon. S.C. MULLIGHAN: I do not know why the member for Colton and Stacey Lee of the ABC think that I am the minister responsible for ALP websites.

Mr COWDREY: Well, you did promise to do it, Treasurer.

The Hon. S.C. MULLIGHAN: No, I said I would go back and see what information I could find for her. I am not the state secretary. I do not occupy a leadership position of the ALP. I am a state government minister with specific responsibilities to the parliament and to the community. I am always interested to see how I can furnish information to media outlets and of course I have taken that on board, but to assume that this is my singular responsibility I am afraid is not accurate.

Mr COWDREY: In regard to procurement as well, page 157 again: there has been a number of tenders that have gone out in recent weeks in regard to services for the VAILO 500, in particular around portable toilets. It looks like, from jumping on any sort of hire website, that the average cost for that is about \$60 a week to hire. Is it a standard process for a contract of such a small quantum to be put out to tender?

The Hon. S.C. MULLIGHAN: I would have to ask the South Australian Motor Sport Board, which I think reports to the Premier under the DPC portfolio.

Mr COWDREY: The strategic procurement section of the Department of Treasury has no—

The Hon. S.C. MULLIGHAN: No, we do not have a specific VAILO Adelaide 500 toilet procurement policy. Those sorts of things are usually left up to the discretion of agencies, so long as the procurement occurs within the approved public sector framework, but we have not had direct management of the procurement of portable toilets for the Adelaide 500.

Mr COWDREY: So there has been no advice in terms of minimum quantum that is provided by strategic procurement around what is required for when something needs to be sole sourced or when an open and transparent tender process needs to occur?

The Hon. S.C. MULLIGHAN: I am not sure of the value of that procurement, but if it is more than \$55,000 you have to have three quotes. That may inform why the South Australian Motor Sport Board has gone out to tender for portable toilets.

Mr COWDREY: So anything over \$55,000, did you say, requires three quotes?

The Hon. S.C. MULLIGHAN: An open market tender is \$550,000. Three quotes are required for procurements above \$55,000 to \$550,000.

Mr COWDREY: So over a value of \$500,000 it is compulsory that it goes out to open market tender?

The Hon. S.C. MULLIGHAN: It is \$550,000, and the general policy is that there should be an open tender above \$550,000. Agencies do, though, retain a discretion that if there is some reason that necessitates going to a sole-source provider or to a more limited tender rather than an open tender above that threshold, then they retain that capacity to do so.

Mr COWDREY: Are you able to advise why on return of freedom of information documents the contract for the provision of visual advertising screens around the VAILO Adelaide 500 was awarded without an open market tender process?

The Hon. S.C. MULLIGHAN: I cannot, and I am happy to have this corrected if the advice I am about to provide is wrong, but my recollection is that as part of their sponsorship of the Adelaide 500, which I understand to have been like a normal sort of naming rights sponsorship that involved the provision of an amount of money to secure those naming rights, the company VAILO offered the Motor Sport Board to provide additional in-kind support to the event, which also included some of those video screens that were around there.

Mr COWDREY: Were those screens Australian-made, do you know?

The Hon. S.C. MULLIGHAN: I am not sure. VAILO is a South Australian company that manufactures in Kent Town, but I do not have that information available.

Mr COWDREY: Given your knowledge of the contract and how it was put together, are you able to advise as to whether the contract was back-ended and whether any cash component was required by the naming rights sponsor to be provided to the government in the first year of the contract?

The Hon. S.C. MULLIGHAN: I do not have any knowledge of that contract, so commensurate with my lack of understanding of it, I cannot provide that advice, but my assumption is that a naming rights sponsor usually provides a cash component in order to secure that right. If that is not correct, I am happy to bring back a correction to the committee.

Mr COWDREY: Are you happy to take on notice that there was a cash component taken on the first year of the contract?

The Hon. S.C. MULLIGHAN: No, I am not happy to take that on notice. These sorts of sponsorships—

Mr COWDREY: Well, that is what you just did.

The Hon. S.C. MULLIGHAN: Well, I will not provide that information to the committee, to make it clear then, if that clears it up for you. I was trying to be cooperative. These sorts of contracts are by necessity commercial-in-confidence. I can find out as much information as I can about the provision of those video screens. As I said, my understanding was that they were provided additionally by VAILO and that that might justify why there was not an open tender for it, but beyond that I am not going to go into the details of the naming rights sponsorship contract.

Mr COWDREY: Do strategic procurement review from time to time tenders that have gone out across government? Is there an audit process in regard to tender processes or decisions not to go to open market?

The Hon. S.C. MULLIGHAN: We do not. One of the other election commitments we made was to have the Auditor-General undertake that as a role. I raised that with the Auditor-General and he has declined to do that unless he is legislatively obliged to do that. In lieu of any sort of cooperation from the Auditor-General, the only assessment and auditing of performance is usually done by the Office of the Industry Advocate to ensure compliance with the local industry participation requirements and the procurement policies as they relate to that area.

Mr COWDREY: On the SA tenders page there seems to have been a change made within the last six or so months that the address for the successful tenderer has been removed. Does that have anything to do with the government's procurement policy?

The Hon. S.C. MULLIGHAN: We at this table were not aware that that change had been made and what informs it, but I will take that away and see what information I can provide.

Mr COWDREY: Are you happy to commit to returning those addresses onto that page? It makes it much easier for the public and the opposition to at least track where tenders are going.

The Hon. S.C. MULLIGHAN: I am always happy to bend over backwards to make your life easier, so we will see why that change was made, what informed it and what we can do to ameliorate the concerns that you have.

Mr COWDREY: I might just jump to fleet, if that is okay.

The Hon. S.C. MULLIGHAN: I have Jenny White with me and Anthony Coates, both from SAFA.

Mr COWDREY: Are you able to give the committee a breakdown of the current fleet, including number of passenger vehicles, SUV vehicles, heavy vehicles, hybrid or electric vehicles—I am not sure how we are classifying that, if that is one or two categories now? Are you able to give an idea of the current composition of the fleet?

The Hon. S.C. MULLIGHAN: I think I am. As at 31 May, there were 6,857 vehicles, of which 3,946 or 57.5 per cent qualify as low emission, including 2,100 hybrid vehicles. There are 65 vehicles in the fleet with the ability to operate as zero tailpipe emission vehicles. These are 35 plug-in hybrid electric vehicles, being 24 Mitsubishi Outlanders and 11 Eclipse Cross vehicles; and 30 battery electric vehicles, being 18 Hyundai Kona, nine Hyundai Ioniq and three Kia Niro vehicles.

The main manufacturers making up the fleet are Toyota at 52 per cent, Kia at 10 per cent, Ford at 9 per cent, Subaru at 8 per cent and Mitsubishi 8 per cent. The fleet is split into the vehicle segments of passenger vehicles, 23 per cent; SUVs, 46 per cent; and light commercial vehicles, 31 per cent.

Mr COWDREY: Is the government still committed to 100 per cent EV vehicles by 2030?

The Hon. S.C. MULLIGHAN: I understand in 2019 or 2020, the previous Liberal government signed off on an EV action plan which set that target that you mentioned. We are all politicians—by definition, ambitious—and that particular target is, even to my mind, more ambitious than most. Are we going to achieve it? You cannot rule out anything in life, but on the current trajectory I am not sure that we will get there.

Mr COWDREY: How much progress have you made against that metric over the last 12 months, with 1,625 cars bought over that period?

The Hon. S.C. MULLIGHAN: I understand South Australia's Electric Vehicle Action Plan was approved by cabinet in August 2020 and publicly released in December 2020. From a capital cost perspective, the government gets very little to zero discount over retail price on electric vehicles, whereas a vehicle manufacturer may offer over a 10 per cent discount on non-electric vehicles.

I am advised that from a retail perspective, a Hyundai Kona Elite electric model is \$54,500 and \$60,500 in its extended range option, compared to the entry level petrol model Kona at \$26,900. The differential increases when the government discount is taken into account. Many battery electric vehicles are cost prohibitive, so they are above a price threshold that the fleet would normally pay for other fleet vehicles, but of course as technology improves and volume efficiencies are achieved it is expected price parity will occur sometime in the future.

We have maintained the stunning run rate achieved under the previous government of 1.3 per cent penetration of the fleet with these electric vehicles. That may increase as electric vehicles come into lower priced thresholds of the market and become operationally more deployable for even broader areas of government. I think making up the other 98.7 per cent of the performance we would need to get to 100 per cent in seven years would exceed even my extraordinary ambitions in this area.

Mr COWDREY: So you have made no change to the extraordinary net run rate, as you have put it, since declaring a climate emergency?

The Hon. S.C. MULLIGHAN: Yes, that is correct. It was an ambitious goal by the previous government and it was a target of the previous government. I am confident that increasing the proportion of the 6,800 vehicles we have in the South Australian fleet will entirely mitigate the global climate emergency. Hence, while I share the member for Colton's ambition to increase the penetration of a fleet of battery electric vehicles, I just cannot in all good conscience say that we are going to put a halt to climate change and get to 100 per cent battery electric vehicle penetration of the fleet by 2030.

The CHAIR: On that note—

Mr COWDREY: What changes have Treasury made since declaring a climate emergency to achieve those targets?

The CHAIR: On that note—

The Hon. S.C. MULLIGHAN: I am happy to go on all day about this.

The CHAIR: Okay, last question then.

The Hon. S.C. MULLIGHAN: There have been a number of changes in the fleet. New models have come onto the market. We have added new vehicles onto the market, including lower cost vehicles. We have also tried to transition the gaudy faux Bentley-looking sedans out of the parliamentary and ministerial fleet for something a little bit more in keeping with the government's expectations of the fleet, and we will continue to make further changes to the fleet in the future.

The CHAIR: The allotted time having expired, I declare the examination of the portfolios of CTP Regulator, SA Government Insurance and Fleet, Strategic Procurement, Industry Advocate and Shared Services completed. The examination of proposed payments for the Department of Treasury and Finance are now complete. The examination of proposed payments for the Administered Items for the Department of Treasury and Finance is adjourned until 4.15.

I would like to thank the Treasurer and the member for Colton for the civil manner in which they conducted themselves. I especially want to thank the public servants, all those involved in what is obviously a very daunting task of putting a budget together and then having to prepare for estimates, so a big thank you.

Sitting suspended from 13:15 to 14:15.

DEPARTMENT OF HUMAN SERVICES, \$963,281,000

ADMINISTERED ITEMS FOR THE DEPARTMENT OF HUMAN SERVICES, \$303,685,000

Membership:

Mr Basham substituted for Hon. D.G. Pisoni.

Mr Telfer substituted for Mr Cowdrey.

Mrs Pearce substituted for Ms Wortley.

Ms Clancy substituted for Mr Fulbrook.

Ms Thompson substituted for Ms Hutchesson.

Minister:

Hon. N.F. Cook, Minister for Human Services.

Departmental Advisers:

Ms R. Ambler, Acting Chief Executive, Department of Human Services.

Mr D. Green, Acting Chief Financial Officer, Finance and Business Services, Department of Human Services.

Ms S. Charlton, Executive Director, People and Performance, Department of Human Services.

Ms K. Hawkins, Executive Director, Inclusion and Reform, Department of Human Services.

Ms A. Reid, Executive Director, Community and Family Services, Department of Human Services.

Mr J. Young, Executive Director, Disability Services, Department of Human Services.

Mr G. Myers, Principal Project Officer, Office of the Chief Executive and Governance, Department of Human Services.

Ms T. Mai, Senior Authorising Officer, Restrictive Practices Unit, Community Investment and Support, Department of Human Services.

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 pay our respects to them and their cultures, and to the elders both past and present.

The estimates committees are a relatively informal procedure and, as such, there is no need to stand to ask or answer questions. I understand that the minister and the lead speaker for the opposition have agreed on 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? I will take that as a yes.

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 Answers to Questions mailbox no later than Friday 8 September 2023.

I propose to allow both the minister and the lead speaker for the opposition to make opening statements of about or up to 10 minutes each, if they so desire. 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, it is purely statistical and limited to one page in length. The committee's examinations will be broadcast in the same manner as sittings of the house, through the IPTV system within Parliament House and online via the parliament website.

I now proceed to open the following lines for examination. The portfolio is Department of Human Services. The minister appearing is the Minister for Human Services. I declare the proposed payments open for examination. I call on the minister to make an opening statement, if she so desires.

The Hon. N.F. COOK: I will make an opening statement in this particular part of our committee today. In the last 15 months since becoming the minister, I am proud that my department and the Malinauskas Labor government have embarked on generational reform to shift the dial on disadvantage in our community. The Department of Human Services is a key part of this work, and I thank the DHS staff for their tireless work in moving forward the agenda.

I want to touch on a few brief areas of policy change and commitment that have been the hallmarks of the last year, and I will be as brief as I can—I am keen to extrapolate via your questions. Cost of living continues to be an area of concern for many South Australians, and I would like to talk through the initiatives we have funded to this end. I am pleased that the new \$4.8 million Financial Wellbeing Program will commence on 1 July. This program consolidates four financial wellbeing and resilience programs into a single one-stop shop financial wellbeing program to better support financially vulnerable South Australians.

The new program provides budgeting support, assistance to negotiate debts, financial resilience education and emergency financial assistance to deal with immediate pressures such as bills or food. A significant investment in this budget is the \$254.4 million energy bill relief rebate. The rebate is jointly funded by state and commonwealth governments over two years and will provide up to \$500 for households on income support and \$650 for small businesses.

The government is also providing an additional \$44 million over five years to index existing concessions, which along with the energy bill relief rebate will put up to an additional \$580 next financial year in the pockets of eligible pensioners. In addition, the government is providing an additional \$57.2 million over four years to support non-government organisations in the face of higher wage and inflation costs in 2023. I know the organisations funded through my department have been very appreciative of this additional indexation.

The government is currently leading a concessions review, examining 21 concessions delivered by the state government, which assist people with their household bills, education, health and transport costs. A reference group of non-government agencies is meeting regularly as we work through identified issues and possible solutions. Also, a public report of findings will be available later this year.

Government investment supported the permanent establishment of the Child and Family Support System Pathways Service, a strengthening of clinical and cultural governance and the creation of a new region for northern metropolitan Adelaide, which will result in a further 250 families, approximately 625 children, receiving intensive family support services.

The government is investing a further \$35.7 million over five years to boost services for vulnerable families. Further, I am pleased that this budget includes \$6.1 million over four years for the Strong Start program. This will help at-risk, first-time parents at the earliest opportunity. My department will be investigating how this program can better contribute to improving Closing the Gap outcomes. This is obviously for Aboriginal mothers and their children, recognising that investing in Aboriginal children's early years reaps rewards decades later in both education and employment outcomes.

My department chairs the multi-agency Safety and Wellbeing Taskforce to support cultural safety and wellbeing of remote Aboriginal visitors and reduce antisocial behaviours in Adelaide and regional South Australia. Since its establishment, the task force has engaged with multiple stakeholders in developing responses, including First Nations communities, residents and businesses, councils, non-government and government organisations to help strategies and devise an agreed approach on this complex social issue.

These service responses include assertive outreach, tenancy support, coordinated return to community, rapid healthcare access and discharge, intensive case management and culturally appropriate service delivery. Outcomes achieved in Adelaide include reductions in hospital ED presentations and admissions, improved participation in health treatment and improved outcomes in tenancies.

Between 1 July 2022 and 25 June 2023, 1,481 people have been safely returned to community from Adelaide and Port Augusta. The work of the task force is not limited to Adelaide, with significant resources and effort directed to regional centres, particularly Port Augusta. DHS commenced the Port Augusta Community Outreach Response in November 2022, aimed at reducing antisocial behaviour, violence, rough sleeping and conflict over the summer period. In early 2023, DHS also established a Port Augusta youth response to address escalating antisocial and high-risk behaviour involving young people in the community.

My department is also supporting the community by contributing an additional \$2.4 million, an increase of over 60 per cent, to the Community and Neighbourhood Development Program. This will result in an increase in the number of community centres being funded across the state. This will also increase the average funding per centre by more than 40 per cent. These new arrangements, which commence on 1 July 2023, will result in a more equitable spread of funding across South Australia.

Gambling harm continues to be a concern to our community, and in 2023 I was very pleased that the Adelaide Football Club (the Crows) partnered with the very successful Here for the Game campaign to raise awareness of the harms of sport betting but also to challenge the normalisation of gambling in our sporting communities. The Crows joined with the Adelaide United Football Club (the Reds) as well as the Adelaide 36ers and Adelaide Giants in this growing movement of professional sport clubs saying no to gambling revenue and taking a stand against the industry's harmful influence on young people.

Grants SA will continue to provide funding support to community organisations, having this year delivered on the government's election commitment to implement a grant program for community sheds, providing safe places for people to build social connections and learn new skills. I was very pleased to see Grants SA support a wide range of community organisations, particularly Aboriginal community controlled organisations, through the governance and sustainability round. This has provided much needed funding of almost \$2 million, so that grassroots organisations who give so much to their local communities can operate well into the future and continue to serve their communities better.

DHS is responsible for leading the LGBTIQ+ inclusion in South Australia. We are driving change across government and the broader community by listening to the LGBTIQ+ communities to shape policies and initiatives, and funding key LGBTIQ+ services to support this important community through the establishment of our ministerial advisory council. Thank you for your indulgence.

I will introduce my officers who are here: to my right, is Alex Reid, the Executive Director of Community and Family Services. To my left is Ruth Ambler, ably acting as Chief Executive. To my far left is Daniel Green, also ably acting as the Chief Financial Officer, Finance and Business Services. Directly to my rear is Katherine Hawkins, Executive Director, Inclusion and Reform. Just to my rear left is Greg Myers, the Principal Project Officer in the Office of the Chief Executive and Governance. Behind him is Joe Young, Executive Director, Disability Services, and to his right is Sue-Ann Charlton, Executive Director, People and Performance. Also joining us on the panel is Trinh Mai, who is the Senior Authorising Officer, Restrictive Practices Unit, Community Investment and Support. I welcome your questions.

The CHAIR: Do you have an opening statement, member for Flinders?

Mr TELFER: As the minister has used her full allotted time, I will just say thank you to the staff who are here, obviously recognising that the department is a complicated beast with many different aspects to it. Certainly, as we unpack a few of these numbers, I appreciate the whole team being here to be able to give an insight into not just the opposition but to the community as to the different aspects of the department. Thank you very much.

Can I turn the minister's attention to Agency Statements, Budget Paper 4, Volume 3, pages 99 and 100, the first aspect there: the statement of the comprehensive income. In looking at the budget papers there is an obvious overspend. The department last year exceeded its budget for 2022-23 by some \$20 million. Can you give an explanation as to why?

The Hon. N.F. COOK: In respect to overspend in our department, we service some of the most vulnerable, and there is also a degree of unpredictability within the cohort of people. We take management of our budget very seriously; however, there is a point in time when we have to state that sometimes we need to be flexible in how we deliver these particular programs. I will refer to my finance officer in terms of any particularities with that particular table.

Mr GREEN: If the member would not mind confirming which particular number he was referring to as an overspend?

Mr TELFER: The \$20 million from last year's budget to the estimated result.

Mr GREEN: So the increase in expenditure between those two numbers.

Mr TELFER: Yes.

Mr GREEN: Both of those figures are actually budgets, so the difference between them represents approved changes to the department's expenditure. I would not characterise them as overspending but as—

Mr TELFER: Can you explain the difference then?

Mr GREEN: Overall? The approved difference in general will represent a variety of different changes, including things like carryovers and things like the flood relief that was approved early on in the year. Basically, it is things that have been to cabinet and have been approved: responses to remote visitors, additional indexation that the minister mentioned and supplementary indexation. All of those things together add up to the difference between those two budget numbers.

Mr TELFER: The whole lot?

The Hon. N.F. COOK: Approved changes in expenditure, I think is what we are saying. As I said right at the start, we do deal with a lot of unpredictability within the cohort and the nature of the work that we are doing and, of course, as we know this year was particularly difficult in terms of some of the flexibility and adaptation that we had to undertake.

Mr TELFER: What has happened to the savings efficiencies that were in the 2022-23 budget?

The Hon. N.F. COOK: I understand that we have met our savings targets.

Mr TELFER: You met your savings targets, but there were other approved changes to the budget, which meant that you had \$20 million more spent than—

The Hon. N.F. COOK: For specific initiatives, yes.

Mr TELFER: What measures have been put in place to ensure that the overspend that happened—the additional expenditure, perhaps, if you would rather me characterise it that way—from 2022-23 does not occur in 2023-24?

The Hon. N.F. COOK: It is almost impossible to account for some of the measures that do need to change throughout the year, such as things like floods or changes in demand because of particular cohorts that we have to deal with at times during the year, so it is very difficult to actually account for that. At the same time, we do maintain a degree of budget restraint and we look to move other expenditure around within the department to fund different lines.

Mr TELFER: Do you have savings targets for 2023-24?

The Hon. N.F. COOK: In this particular year, we have, as part of a full government suite of measures, some executive savings to be negotiated. Last year, we met our savings target in respect to executive positions. There were two positions we were required to make redundant within our department and we have done that and been able to cover the workload for those. We do not have any additional targets that have been specifically allocated to us, but there is a full executive measure, which I believe is 50 executive positions across government. At this stage, we have no advice on that.

Mr TELFER: That you are going to need to shed any more executive positions?

The Hon. N.F. COOK: No, we have no advice that that is the case for us.

Mr TELFER: Will there be any expected change in headcount? You talked about the executive positions.

The Hon. N.F. COOK: You mean headcount full FTE or do you mean—

Mr TELFER: Yes.

The Hon. N.F. COOK: We have increased our FTE—

Mr TELFER: I am happy to unpack the FTE later on, if you would like.

The Hon. N.F. COOK: We have no further saving measures. I understand that there is still a TVSP strategy across government. Some of our employees have availed themselves of TVSPs. We do not have anything specifically to discuss.

Mr TELFER: So you have no savings targets? You have no measures that you are thinking you will need to put in place?

Ms AMBLER: We have plans in place to meet our savings target over the forward estimates and we are confident we can do that. We have no further savings targets in the coming financial year, so these are existing savings targets. As the minister said, we know there are likely to be some executive savings coming, but we have no advice from Treasury yet as to the detail of that.

Mr TELFER: So you are not expecting there to be any services or programs that will need to be cut in this next financial year?

Ms AMBLER: We are not expecting to have to make any other savings than the savings we have already prepared for.

The Hon. N.F. COOK: Can I add as well that, having a quick look at the table, I understand that our income was also \$30 million more than budget. It is, as you would be aware within—

Mr TELFER: It is a big budget.

The Hon. N.F. COOK: —yes, and I believe the numbers you are talking are a very low, less than 1 per cent, number as well, so I would not categorise it as an enormous amount. There have been some changes in relation to commonwealth revenue. I think, as well, it is worth saying that we feel very confident that we have the measures in place to display restraint when it comes to budget spending.

Mr TELFER: Can you give some reasons for the movement in the operating expenditure between 2022-23 and 2023-24?

The Hon. N.F. COOK: What is the page number, again, sorry? I closed the volume.

Mr TELFER: Sorry, we are on pages 99 and 100. They are the main ones at the moment.

The Hon. N.F. COOK: And, sorry, just repeat the question for me.

Mr TELFER: The difference between the operating expenditure in 2022-23 and 2023-24.

Mr GREEN: You are noting the slight reduction in the expenditure number there. There is one particular adjustment that probably stands out amongst the movements. There has been—and you would see it largely in that 'Other expenses' line—a reduction in the expected state contribution to the National Disability Insurance Scheme owing to an adjustment to the per capita share of that scheme. That was something that has been agreed bilaterally and nationally, that there would be a review after five years and the global contribution would be rebalanced between the states. Owing to our reduced population share, that contribution has been reduced on a per capita basis.

Mr TELFER: That is the main explanation for that reduction?

Mr GREEN: It is easily the single largest, yes.

Mr TELFER: Sure, thank you. Can we go to the headcount discussion we started on?

The Hon. N.F. COOK: Page?

Mr TELFER: Budget Paper 4, volume 3, page 85, I think is what I have written down: the overall summary there at the top. You intimated before there is a change of headcount—the increase there from 2,756.1 to 2,782.8. Can you give an explanation for that movement?

The Hon. N.F. COOK: I guess, again, to point out it is a very low percentage in relation to the overall headcount, but I think it is fair to say we are investing significantly in our family services and that the number of employees to be attached to that particular program—we see that as a growing area of concern, particularly for a department where we are working very hard, as I said in my opening statement, to break the cycle of poverty and disadvantage. The earlier we start, the better off we are, so some of those programs are certainly front of mind when we look at an increase.

I would say particularly the targeted intensive family support program, where the number there we are looking at is an increase of 62 FTEs, which, across headcount, could be up to 100. It depends on how many hours a week people work. In flexible, dynamic workplaces with skilled people

working shared responsibilities across family and community, we would expect there would be a number of part-time workers in there as well as full-time, so headcount and FTE are slightly different.

Mr TELFER: You made reference to the targeted intensive family support services changes, and in Budget Paper 5, page 50, the table gives me that number, the 62 you mentioned. I am a simple man. I know simple maths. I can see there are 62 more there, and the change here is, as you pointed out, an increase of 26. So are there cuts within other parts of the department which are basically balancing out the targeted intensive family support services?

The Hon. N.F. COOK: I think as well over time across the department generally it is a moving dynamic. There has been a shrinkage of the background of disability and a range of other services as we are transitioning across to our full NDIS and delivery of services in disability, which is different to what used to happen, so there are changes across a range of departments. To go through one by one we would probably fill up the whole of estimates.

Mr TELFER: I was just interested as that is obviously a new program with 62 staff in particular. It has to be balanced out somewhat.

The Hon. N.F. COOK: Yes. It is short-term contracted positions, I think, is the bulk of that.

Mr TELFER: How many employees are under contracts versus permanent employees?

The Hon. N.F. COOK: We may be able to get you an answer on that.

Mr TELFER: I am happy if you take it on notice and provide that later, if that would be easier.

The Hon. N.F. COOK: Yes.

Mr TELFER: It would just be an interesting number.

The Hon. N.F. COOK: Yes, we will take that one on notice for you. We will try not to take too many on notice.

Mr TELFER: It would be interesting for me. As I said before at the start, it is a complex department. That breakdown by the different aspects of the FTEs and the contracted versus the employed would be an interesting number to have.

The Hon. N.F. COOK: Sure. I think the overarching statement would be that there would be more people, obviously, permanent, and the number of contracted positions are reasonably small, generally. Relative to the whole department, it is a reasonably small number, and contracted positions may be attached to a pilot-type initiative or a particular initiative that requires intensive staffing for a short period of time.

Mr TELFER: Thank you. You referenced briefly before the targeted voluntary separation packages, so how many of them are proposed for 2023-24?

The Hon. N.F. COOK: We have been able to use TVSPs in order to reshape the business services. As at 31 May 2023, we within the department had received 150 registrations of interest for targeted packages, and we gave 112 offers with 106 employees accepting that package. Is that enough information for you?

Mr TELFER: Yes, that is a good number to have. Is it envisioned there will be any restructure or redundancies in the next financial year?

The Hon. N.F. COOK: We do not have any plans. Do you have some ideas, Sam?

Mr TELFER: I will wait until I am the minister and then I will make those decisions.

The Hon. N.F. COOK: Hang on. Sorry, in disability—I think I have alluded to that before though—let's say there is a change happening—

Mr TELFER: Transition.

The Hon. N.F. COOK: —obviously, in disability. We can talk about that in Disability Services perhaps more specifically, but there obviously is some movement around in that department in order to be able to deliver a new service that is entirely NDIS funded, separate from in-kind. People would be aware that we are transitioning out of in-kind, but you might want to talk about that in disability.

Mr TELFER: Yes. I have to scratch together some questions for that, that is for sure. Minister, you mentioned, with the TVSPs, the 112 offers with 106 accepting. Are there any departments or any aspects of the department that are quarantined from TVSPs? Are there any areas that you are specifically targeting?

The Hon. N.F. COOK: To keep it very succinct for you, so we can get through plenty of questions, frontline workers were not offered TVSPs. That would be across a range of our service provision areas, including disability and including youth justice—active frontline.

Mr TELFER: Active frontline as opposed to passive frontline or inactive frontline?

The Hon. N.F. COOK: How do you describe it?

Ms AMBLER: People who are actively working in our frontline services were not offered TVSPs.

Mr TELFER: What would be an inactive—

The Hon. N.F. COOK: I am just getting you a better response. For whatever reason, in a range of departments, this would be the same. There are people who fall out of working in frontline service but they are a frontline service worker. If they are an ongoing active frontline service worker delivering face-to-face frontline support services, they are not offered a TVSP, but if there are people who have, for whatever reason, fallen out of doing frontline work as a frontline worker, then they potentially would be offered a TVSP and the capacity to transition their employment future somewhere else.

Mr TELFER: These employees that have fallen out of frontline work obviously specialise in frontline work. What are they doing if they are not doing frontline work?

The Hon. N.F. COOK: They may have been doing project work or some type of administrative work supporting the transition of a department. For example—

Mr TELFER: More bureaucratic work?

The Hon. N.F. COOK: No, not at all; it is categorised as non-operational work. Perhaps a disability support worker, for whatever reason, is unable to—honestly, sometimes the reasons can be work related, the reasons can be personal, and deeply personal, that they cannot do that frontline work. It could be triggering for whatever reason or difficult and so those people might be doing a project within the department to assist maybe the transition of that whole department's operations and how it is working with it, such as disability support workers. If it was deemed that they were unable to return to doing frontline work and that particular project was no longer being undertaken, it may be that they are offered a TVSP.

Mr TELFER: Out of the 106, what sort of proportion would it be? Are they the main cohort of workers that you—

The Hon. N.F. COOK: Again, I will pop that one in the on notice basket, I think.

Mr TELFER: I will cast your attention to page 86 of Budget Paper 4, Volume 3, that we are working our way through. I was interested in the numbers there around the fleet cost increase from \$941,000 to \$1.7 million for FY 2023-24; why is this?

Mr GREEN: Would you like me to answer that one?

The Hon. N.F. COOK: Yes, sure.

Mr GREEN: Unfortunately, the answer is quite dry but I will give it—

The Hon. N.F. COOK: He looked very excited—

Mr TELFER: He knew the answer.

Mr GREEN: You have excited the accountant. What that represents is the planned acquisition of new leased vehicles. It is a budget for, as you may be familiar with, the government's leasing scheme where every three or four years it is turning over vehicles and leasing new ones. That is part of regular government practice. Under accounting standards, when we enter into new

leases, they need to be recognised as a sort of capital acquisition investing expense and we amortise the cost of that over the lease term. Sorry, it is a very dry accountancy number.

Mr TELFER: I love accounting.

The Hon. N.F. COOK: Are you satisfied with that?

Mr TELFER: I will unpack that a little bit more. How many additional cars are on lease with that number?

The Hon. N.F. COOK: I do not think it is significant. I think we are happy to give that on notice—it is detailed.

Mr TELFER: The near-on doubling—I appreciate the depreciation aspect but that is significant. Is it because there is a change of vehicle preference for the department? Is it additional cost if they are transitioning to an EV or a comparable, more expensive vehicle, because albeit the difference between the depreciated cost of the vehicle, even with a new vehicle coming in, is not going to double if there has not been an additional lease?

Mr GREEN: It would be fair to say that the renewals are not spread evenly across lease periods, so you do get peaks and troughs in terms of when leases are being renewed. They are not nicely flattened out across all the forward estimates years, so some of that budgeting reflects—there might be more vehicles in 2023-24 than in 2022-23. It is not a smooth line, is what I am trying to say, you do get some lumpiness that is not reflecting wholesale changes in fleet or changes in preferences or things like that.

The Hon. N.F. COOK: Just to try to wrap that up for you, we deliver quite complex services across large distances in South Australia as well, so people might not be aware of the extent that people need to travel in order to deliver those services into people's homes in remote and regional South Australia.

Mr TELFER: I would be relatively aware.

The Hon. N.F. COOK: I think you would and so would a couple of other members and especially the Chair.

Mr TELFER: I will cast your eyes back to pages 99-100, and these are more general questions about some of the arrangements. What leases and office accommodation does the department currently have in place?

The Hon. N.F. COOK: We have taken some action in regard to consolidating a couple of services. The Riverside building is getting the screening unit moved in there from 45 Grenfell Street, which will save around half a million dollars per annum in my understanding. We have some surplus properties as well around the place that are now not being used because of consolidation. We have a couple of those that have been declared surplus, one at Christies Beach and one in Mount Barker, and we expect those to go for sale later this year.

Within youth justice, there is the second campus at Jonal Drive, which we have declared as surplus and will be disposing of once the Kurlana Tapa project is complete. The Women's Information Service is currently co-located with the Office for Women and could be relocated. We are looking at office accommodation, which we will need out in the northern suburbs with the expansion of the Safer Family Services. We are looking into accommodation for northern and southern safety hubs. I think, in terms of many other departments, we probably do not have a lot of different lease arrangements but we are constantly working to maximise those and spend money on service delivery, not on leases.

Mr TELFER: Will there be any expected costs for breaking leases or anything like that in that transition?

The Hon. N.F. COOK: Not that we are anticipating. We would try to minimise that as well, of course, and be as efficient as possible. We are timing it with lease expiries.

Mr TELFER: I would like to unpack a little bit about some of the working from home arrangements that the department might have in place. This is probably referencing back to the page

before, when we were talking about FTEs back on the workforce summary on page 85. Does the department have a clear plan and time line in place for staff that are working from home to return back to the office and, if so, can you—

The Hon. N.F. COOK: I will make a general comment about that. Obviously, I think there is a balance. If COVID has taught us anything, it has taught us that we can have flexible working arrangements for people who need it. I know that our department particularly is very people-focused in terms of ensuring that we provide individualised support for employees who do need to work from home, for whatever reason, and so we would not ever be considering doing something that compromises that arrangement and that feeling of value from an employee point of view. Sue-Ann, perhaps if there is anything brief you would like to share?

Ms CHARLTON: I think just to note that over 50 per cent of our department cannot work from home because they are hands-on with clients, so that is not an option. Certainly, we have consolidated in our office around hot-desking and maximising the space with the flexibility that we offer to our staff.

The Hon. N.F. COOK: Yes, I think that is a fair point. I know that the department certainly listened to government request in regard to people returning to work in their office and sharing ideas and that type of thing as well.

Mr TELFER: You make the point that over 50 per cent cannot work from home. Do you have an idea of the current proportion of staff that are working from home?

The Hon. N.F. COOK: It is very low.

Ms CHARLTON: We have not done an arbitrary, 'You have to be in the office X number of days,' so it tends to probably be a bit more ad hoc. When someone might have a medical appointment, they might do that from home and work home that day but they are in the office the majority of the time.

Mr TELFER: But not permanent arrangements?

The Hon. N.F. COOK: No, and I also have certainly been really pleased—not just across this department but also in the Housing Authority—to note that people do take the opportunity to work from home and continue being a productive member of the workforce when they are feeling unwell. Rather than taking a day of leave, they are able to still contribute and participate in the workforce, so that is pretty positive as well.

Mr TELFER: So generally would you say as a percentage it is single figures of people who are predominantly working from home?

Ms CHARLTON: In percentage terms it would be low.

Mr TELFER: Do you think, as a comparison to the previous financial year, that number is static or changing? Are there more coming back into the office?

Ms CHARLTON: There are more people in the office post-COVID.

The Hon. N.F. COOK: Definitely lower.

Mr TELFER: Than the last financial year?

The Hon. N.F. COOK: Definitely a lower work from home ratio. It is well pointed out by my acting chief that the flexible work policy has actually been in place with DHS for a long time.

Mr TELFER: This is part of the structure of the department, I guess: do you have an accurate tried and true measure of staff productivity and efficiency with those flexible work-at-home arrangements?

Ms CHARLTON: We actually find the volume of work we produce in our department is high and people are fully occupied to the extent that we get probably more productivity from people working from home if anything, once you take out travel times and all the rest of it. Working from home is really about good leadership and making sure that people have enough work to do and they

are delivering their outcomes. It is really not highly relevant whether they are in the office or not, but certainly where there is collaboration required it helps for them to be present.

The Hon. N.F. COOK: Our managers are managing this and we are very pleased with what has been happening across a range of reform processes as described in my opening statement. There has been quite a lot of change occurring within some of the program's philosophical angles and how we are structuring that and that work has been really efficient. Working from home has not negatively impacted that.

Mr TELFER: You mentioned in your introduction, minister, some of the advisory council arrangements that you have put in place. On page 89, in the highlights, there is a reference halfway down, the dot point there, 'Established the LGBTIQ+ Minister's Advisory Council'. Who chairs this council?

The Hon. N.F. COOK: It is fair to say these are still developing their processes and we started with the department leads, under Katherine Hawkins, chairing those meetings in the first few instances, but we have certainly now encouraged all of those committees to seek to put in place a chair from within their group. We have initially asked these groups to nominate their own chair, someone to put their hand up. We have floated different arrangements, whether they wanted floating chairs or alternating chairs. I feel that through our LGBTIQ+ group and our disability group and our youth one, they will come up with different variations on that.

We can go further into it if you want more information, but I think that gives you the flavour. There have been several meetings, and I have attended every meeting of all three of them. If you want, I can bucket all those MACs together. I have at least popped in for half an hour to do some Q&A. In the early stages, they were much quieter, and now they are getting quite confident and starting to really seek to be engaged and involved in various ways with policy, legislation and a whole heap of different frameworks across government. They are developing, and I hope to see all of them by the end of this year being chaired from within their groups.

Mr TELFER: The same goes for the Disability Advisory Council?

The Hon. N.F. COOK: All three.

Mr TELFER: All comparable arrangements?

The Hon. N.F. COOK: Yes.

Mr TELFER: Are there any allowances for the members?

The Hon. N.F. COOK: Yes, all of them have allowances. I can get you the details, but there was a small budget attached to every one of those. It was \$20,000 per annum per group, and they get a \$177 sitting fee, each member within each group.

Mr TELFER: For each meeting?

The Hon. N.F. COOK: Yes.

Mr TELFER: How many times have these committees met?

The Hon. N.F. COOK: The intention over time will be quarterly. They have had set-up meetings. We have had all of them in for a catch-up session in Parliament House to get a feel for what the parliament looks like. Apart from that, I think they have had two other meetings each or thereabouts, but quarterly is the intent, with very small amounts of out-of-session documentation sent through for them to work on.

Mr TELFER: What is the size of these councils as far as numbers go?

The Hon. N.F. COOK: The membership is a full complement of 12 per group.

Mr TELFER: Twelve per group, \$177 per meeting, envisioned quarterly meetings.

The Hon. N.F. COOK: Yes, thereabouts. Does it work out?

Mr TELFER: I am just taking note. How many members of those committees—I point to the disability one and the LGBTIQ+ one—are members of the Australian Labor Party?

The Hon. N.F. COOK: I do not know, and I do not think we ask them.

Mr TELFER: Is there no requirement for a declaration of interest?

The Hon. N.F. COOK: Are there any Liberals on there? Can you tell me?

Mr TELFER: You are the minister.

The Hon. N.F. COOK: Can we share a list and have a look?

Mr TELFER: I ask the questions; you answer them.

The Hon. N.F. COOK: Come on, Sam, we can have some fun. Honestly, one does not come to mind; there may be.

Mr TELFER: There is no declaration of interest process?

The Hon. N.F. COOK: They are asked to declare any conflicts of interest in terms of being shown any sensitive material, but it is apolitical. It is attached to the department. If it is not a conflict, they would not have to declare it.

Mr TELFER: Political party membership is not considered a potential conflict?

The Hon. N.F. COOK: Not on that sort of council, I would think.

Mr TELFER: When they are advising on policy?

The Hon. N.F. COOK: Let me tell you, if they got political, someone else in that group would call them out. I am very happy for you to come to meet with them.

Mr TELFER: Thank you. I am interested in that. You would think with a declaration of interest, a council like that would not be making decisions on things that are hyperpersonal for arrangements as far as ownerships, but political party membership is one I would have thought would be—

The Hon. N.F. COOK: I do not know. I have my due diligence captain of all things to my left here. If it raised a flag, I think we would have thought about it. There are a whole range of things in life where people from the lived experience cohort in our community potentially could have a conflict of interest, I guess, but I am not sure that in this particular group, the way they are operating, that would be any different from anything else.

Mr TELFER: It is certainly not included in the terms of reference?

The Hon. N.F. COOK: No, and nothing comes to mind. Possibly there are a couple, I guess, but I would expect there is probably a couple of members of the Greens or any other of those parties. There might just be a Liberal, I do not know. They walk amongst us, Sam.

Mr TELFER: With their heads held high, minister.

The Hon. N.F. COOK: Indeed, my friend.

Mr TELFER: I point to Budget Paper 3, Volume 3, page 86, under expenses, the grants and subsidies. Did the minister, her staff or office play any role in causing delays to the approvals processes for this grant?

The Hon. N.F. COOK: In terms of?

Mr TELFER: The governance and sustainability funding.

The Hon. N.F. COOK: Are you talking about the latest Grants SA grant round?

Mr TELFER: Yes.

The Hon. N.F. COOK: You have led us a bum steer. Let me find it for you. What was the question again, please?

Mr TELFER: Which page do you have it under?

The Hon. N.F. COOK: You are asking at Budget Paper 4, Volume 3, pages 84 and 91, Grants SA. The question is?

Mr TELFER: Applicants for a recent round of Grants SA, the 2022-23 governance and sustainability funding round, recently received an email on 14 June 2023 from DHS Grants SA team, which reads in part, to give you the context:

The last time you heard from us it was to say that you will be informed of your application for the 2022-23 governance and sustainability funding round by the end of May. We sincerely apologise that the end of May came around without any further notification from us. We aimed for that date but were unable to get all the approvals through on time. Unfortunately there are still some tasks remaining in our approvals process.

The Hon. N.F. COOK: I am with you. We had an extraordinary response to this grants round. It really showed the thirst community organisations have to improve how they deliver services and be more sustainable in the long term. This has been a grants round where we have increased the numbers of successful applicants and the money going out the door to pay some sort of homage to the quality of the applications we have. We have rolled out \$1.97 million, from memory, to 64 organisations, and in order to be able to get all of that processed it did take us a few weeks longer.

We wanted people to know that it was on its way, and you will be pleased to know that this week all organisations were notified. If you had any in your electorate, I would imagine that your office has been notified of successful applicants to make sure that everyone can get out and visit all these organisations and see what they are doing. All of that is handled at department level, and then the brief is sent up to me to sign off on, which I did last week. All the approvals were done at departmental level, and then we have notified the successful applicants. I signed all the letters off.

Mr TELFER: So they are all done since the receiving of that email from people two and a bit weeks ago?

The Hon. N.F. COOK: Yes.

Mr TELFER: Interesting. I am glad their thirst was quenched.

The Hon. N.F. COOK: Indeed. It was a record number of applicants, you would be interested to know, so more money has gone out the door.

Mr TELFER: I am interested in this one actually, minister, and I will give some context.

The Hon. N.F. COOK: Same line?

Mr TELFER: No, as something comparable to previous years, Budget Paper 4, Volume 3, page 96, Sub-program 4.2: Disability Services. In the 2021-22 estimates, minister, when you were a shadow, you named a DHS staff member who was one of the many who gave evidence to the disability royal commission. He had been an area supervisor where some incidents which had been reported publicly had taken place, and you implied that he had some responsibility for failures which led to the incidents.

The Hon. N.F. COOK: Sorry, this is in disability, correct?

Mr TELFER: Yes. Do you want to save it until disability?

The Hon. N.F. COOK: We should do.

Mr TELFER: I can kick it down a little bit further, if you like.

The Hon. N.F. COOK: Sorry, but it is not in this—

The CHAIR: This is on Disability Services?

The Hon. N.F. COOK: Yes.

The CHAIR: We will be getting to that shortly. It opens at 3.15.

The Hon. N.F. COOK: You do not have long to wait.

The CHAIR: Five more minutes.

The Hon. N.F. COOK: So then I will have the different people here.

The CHAIR: You have rehearsed the question.

Mr TELFER: Yes, sure. I respect that, and there is, once again, the complication of the different aspects—

The Hon. N.F. COOK: It is complex.

Mr TELFER: —of your department. I think that one there goes to disability. Perhaps with four minutes to go on this we might read in the omnibus questions. I hope that one of my colleagues might be able to do that for me.

Mr McBRIDE: The omnibus questions are:

1. For each department and agency reporting to the minister, how many executive appointments have been made since 1 July 2022 and what is the annual salary and total employment cost for each position?

2. For each department and agency reporting to the minister, how many executive positions have been abolished since 1 July 2022 and what was the annual salary and total employment cost for each position?

3. For each department and agency reporting to the minister, what has been the total cost of executive position terminations since 1 July 2022?

4. For each department and agency reporting to the minister, will the minister provide a breakdown of expenditure on consultants and contractors with a total estimated cost above \$10,000 engaged since 1 July 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?

5. For each department and agency reporting to the minister, will the minister provide an estimate of the total cost to be incurred in 2023-24 for consultants and contractors and, for each case in which a consultant or contractor has already been engaged at a total estimated cost above \$10,000, the name of the consultant or contractor, the method of appointment, the reason for the engagement and the total estimated cost?

6. For each department and agency reporting to the minister, will the minister advise whether it met the 1.7 per cent efficiency dividend for 2022-23 to which the government committed and, if so, how was the saving achieved?

7. For each department or agency reporting to the minister, how many surplus employees are there in June 2023, and for each surplus employee what is the title or classification of the position and the total annual employment cost?

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

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

- What savings targets have been set for 2023-24 and each year of the forward estimates; and
- What is the estimated FTE impact of these measures?

10. For each department and agency reporting to the minister, will the minister advise what share it is receiving 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 is being used in each case?

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

- What was the actual FTE count at June 2023 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?
12. For each department and agency reporting to the minister, how much is budgeted to be spent on goods and services for 2023-24 and for each year of the forward estimates?
13. For each department and agency reporting to the minister, how many FTEs are budgeted to provide communication and promotion activities in 2023-24 and each year of the forward estimates and what is their estimated employment cost?
14. 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 2023-24?
15. For each department and agency reporting to the minister, please provide for each individual investing expenditure project administered, the name, total estimated expenditure, actual expenditure incurred to June 2023 and budgeted expenditure for 2023-24, 2024-25 and 2025-26?
16. For each grant program or fund the minister is responsible for, please provide the following information for the 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.
17. For each department and agency reporting to the minister:
- Is the agency confident that you will meet your expenditure targets in 2023-24;
 - Have any budget decisions been made between the delivery of the budget on 15 June 2023 and today that might impact on the numbers presented in the budget papers which we are examining today; and
 - Are you expecting any reallocations across your agency's budget lines during 2023-24, if so, what would be the nature of this reallocation?
18. For each department and agency reporting to the minister:
- What South Australian businesses will be used in procurement for your agency in 2023-24;
 - What percentage of total procurement spend for your agency does this represent; and
 - How does this compare to last year?
19. What protocols and monitoring systems has the department implemented to ensure that the productivity, efficiency and quality of service delivery is maintained while employees work from home?
20. What percentage of your department's budget has been allocated for the management of remote work infrastructure, including digital tools, cybersecurity and support services, and how does this compare with previous years?
21. How many procurements have been undertaken by the department this FY, how many have been awarded to interstate businesses, and how many of those were signed off by the chief executive?
22. How many contractor invoices were paid by the department directly this FY? How many and what percentage were paid within 15 days, and how many and what percentage were paid outside of 15 days?

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

The CHAIR: Thank you, member for MacKillop, and I will make my usual comment about the omnibus questions: one day common sense will prevail and we will take this question as tabled and incorporate it into the record. It would save us all that very long question and save the poor backbenchers from having to read it out. Given the allotted time having expired, I declare the examination of the portfolio of the Department of Human Services completed.

Departmental Advisers:

Ms R. Ambler, Acting Chief Executive, Department of Human Services.

Mr D. Green, Acting Chief Financial Officer, Finance and Business Services, Department of Human Services.

Mr J. Young, Executive Director, Disability Services, Department of Human Services.

Ms S. Charlton, Executive Director, People and Performance, Department of Human Services.

Ms K. Hawkins, Executive Director, Inclusion and Reform, Department of Human Services.

Ms K. Brandon, Director, Social Inclusion, Department of Human Services.

Ms S. White, Director, Supported Independent Living, Department of Human Services.

Mr G. Myers, Principal Project Officer, Office of the Chief Executive and Governance, Department of Human Services.

Ms T. Mai, Senior Authorising Officer, Restrictive Practices Unit, Community Investment and Support, Department of Human Services.

The CHAIR: The next portfolio area is Disability Services. The minister appearing is the Minister for Human Services. I advise that the proposed payments remain open for examination. Does the minister wish to make a comment?

The Hon. N.F. COOK: I think I will save us all that. I will just introduce my new officers. I have to my right Joe Young, Executive Director, Disability Services. Ruth Ambler and Daniel Green remain in place, as does Katherine Hawkins and Greg Myers. To my rear is Sarah White, Director, Supported Independent Living, Disability Services, and to my rear left is Ksharmra Brandon, Director, Social Inclusion, Inclusion and Reform. I believe Trinh Mai is still here at the rear of the plane.

The CHAIR: Thank you, minister. I call on the lead speaker, if he wishes to make a comment or if he wishes to get on with the questions.

Mr TELFER: I will go straight to questions. We will start with Agency Statements, Budget Paper 4, Volume 3, page 95. I will open with some questions around staff in particular. Within the disability agency, the headcount decrease from 2022-23 to 2023-24, is there any explanation around that or is that reflective of that commentary you provided earlier, minister?

The Hon. N.F. COOK: I would just refer us back to that other conversation. As we transition over to be an NDIS service deliverer, things are changing. We have, through a range of targeted workforce strategies, been attempting also to attract workers to our service and retain them. I think it is fair to say that our numbers will fluctuate depending on the client mix as well within disability. We currently have 296 disability support workers and this year we have recruited 62.

Mr TELFER: Can I get an insight into what portion of staff employed are living with a disability themselves?

The Hon. N.F. COOK: We have a general departmental number, which is somewhere in the high 3 per cents, if I recall. My CE will investigate, but we can come back to that if it is any different. It is 3.7 per cent—that is in the department.

Mr TELFER: In the department as a whole?

The Hon. N.F. COOK: Yes. I know the NDIS itself has a large disability workforce, which I believe is near 50 per cent in their department, which is quite good.

Mr TELFER: Is there a government target for this?

The Hon. N.F. COOK: To do better.

Mr TELFER: Is there a numerical percentage target that the government is—

The Hon. N.F. COOK: There is actually. We are just working on refining that. We will let you know as soon as we get there. There is just about to be one brought through, through the Office of Public Sector Employment. I think that has been much wanted as well, just if I wanted to add a comment. I know it has been asked for, for a long time.

Mr TELFER: I will jump to Budget Paper 5. I want to talk about the disability Community Visitor Scheme.

The Hon. N.F. COOK: Are you sure it is in Budget Paper 5? Can I help you out? Budget Paper 4, Volume 3, page 96 would be a terrific reference.

Mr TELFER: Maybe I have written that down wrong. Yes, page 96—good call. We will jump back to that one. It has words and numbers, member for Elder. That is why it is challenging. That reference there is brilliant. I appreciate that, minister. It is always good to collaborate. There is a commitment each year of \$450,000 until 2025-26 to extend the disability Community Visitor Scheme to improve safeguarding and oversight for people who receive disability services. What target does the government have for new visitors to join the scheme in 2022-23?

The Hon. N.F. COOK: You would understand that the community visitors operate across disability and mental health as well. I will give you some broad information about it. It is an election commitment and it is something we are working on and checking in on quite regularly in terms of our relationship across our state and federal relationships. The department is currently still awaiting the reporting of the royal commission into neglect and abuse of people with disability, and we are also now waiting on the outcome of the NDIS review more broadly.

Throughout the last year and a bit, we have been working really closely with the Quality and Safeguards Commissioner and also with the federal minister and the department in relation to the vision of the future around community visitor schemes. There are a range of community visitor schemes across the country. We are committed to delivering a Community Visitor Scheme that ensures that there are as many eyes on as can be throughout all service delivery agencies.

In terms of the current commitment and the funding of such, which is being used now to recruit and train community visitors through the Office of the Public Advocate, we will be working to currently expand that. For the period 1 July 2022 to 3 June 2023, we were expecting around 442 visits to have been completed, which is 148 to Disability Services, including as well the 261 homes and 614 disability clients.

On top of that as well, because this traverses into the Minister for Health's domain, there were 246 visits scheduled in 387 mental health units. There were 48 visits conducted to the Office of the Public Advocate, with 39 of those residing in DHS Disability Services and nine in NGO organisations. There were requests for mental health advocacy and a whole range of other domains and actions. There is no set target for the new Community Visitor Scheme when we in fact get to roll it out, but there is this really active new recruitment strategy that we are delivering on in readiness to be able to do increased visits.

Mr TELFER: You talked about the number of visits. Do you have a target for the number of visitors that you want to join the scheme?

The Hon. N.F. COOK: We have discussed this, actually, because I meet reasonably frequently with the Office of the Public Advocate, which is also the Principal Community Visitor. I do not think there has been a formal target yet. We have just been recruiting as many suitably qualified and engaged people as are putting their hands up at this particular point.

Once we do formally design the new scheme, given that we are waiting for the review federally and the royal commission to see whether or not there will be consistency around the approach nationally, we made that decision in the last six months to not proceed with doing anything different here in South Australia until we get those findings.

Mr TELFER: So you do not have a target for new visitors?

The Hon. N.F. COOK: No.

Mr TELFER: What is the current visitor number? Do you have that?

The Hon. N.F. COOK: We will take that on notice.

Mr TELFER: So we do not know the number of visitors. Hopefully we can get that, but you do not have a target for how many you want to get to?

The Hon. N.F. COOK: No. We would expect that we would be doing at least that 450 to 500 number of visits.

Mr TELFER: Is that total or is that just disability?

The Hon. N.F. COOK: No, that is total. It would depend on—

Mr TELFER: So, not increasing. It is 442—

The Hon. N.F. COOK: At least.

Mr TELFER: At least, okay.

The Hon. N.F. COOK: It will depend on the design of the new scheme. How that scheme looks in the future will depend on the review, the report from the royal commission and how the national disability ministers council works together with the federal agency to formulate this scheme. There are multiple different schemes; there are no two schemes that are alike. This is part of the issue that we will try to address. The council has met seven times since June 2022, which is probably more than it met in six years.

Mr TELFER: There certainly has been a lot of public attention in this space. I am surprised there is not more urgency.

The Hon. N.F. COOK: How do you define that?

Mr TELFER: Because last financial year was 442 and your target is starting at 450. It is certainly not an escalation number. Are you concerned that there is a risk that there could be a case like the—

The Hon. N.F. COOK: Annie Smith, who passed away in her own home?

Mr TELFER: I was not going to name her, but yes, the terrible case of Annie Smith.

The Hon. N.F. COOK: Yes, it was dreadful, and it probably kicked off all of this.

Mr TELFER: It absolutely did. This is what has given it the attention. Without a quicker escalation, are you afraid, as the minister, that there is a risk of this being replicated in other cases?

The Hon. N.F. COOK: I think it is fair to say there is always a concern about adverse events when people are living with significant and complex disability, mental health and medical conditions. I think that is a fair blanket statement. There is absolutely a very urgent and very deliberate piece of work going on with the federal government and the Quality and Safeguards Commission. There has obviously been the Adult Safeguarding Unit.

There is significant investment happening into the Community Visitor Scheme, where we have been actively advertising for new visitors and recruiting for that over the last 12 months. There was \$150,000 invested to review the digitisation of the volunteer training program, renewed training modules, making sure that we have the best possible service available to deliver the Community Visitor Scheme as well, and redevelop the reporting format for visits as part of a reporting and recording project. That has been trialled as well.

I think there has been an awful lot going on to make sure that the service we are able to roll out, once the report has come in federally, is going to be able to be responsive to the need. There is absolutely an enormous amount of urgent work that has been occurring across not just South Australia but Australia in regard to this.

Mr TELFER: But we are yet to see that culminate in significant increases in visitors or visits?

The Hon. N.F. COOK: I think there has been an increase in visits. I do not have the number, but I understand from speaking with Anne Gale that there has been an increase in the number of visitors.

Mr TELFER: You have taken that on notice. I am happy with that.

The Hon. N.F. COOK: I think honestly as well, if we consider the challenges that have been happening over the past few years—again, I do not have the numbers—but we would have lost visitors. I know volunteering broadly has lost a significant amount of people through COVID. The fear to come in contact in and out of people's homes still remains. We are still in the recovery phase.

Mr TELFER: You talked about the work that has been done at a federal level. Indeed, there have been a number of calls to implement a national community visitor scheme. Are you aware of what the attitude is of your federal colleague the Hon. Bill Shorten around the potential for a national community visitor scheme?

The Hon. N.F. COOK: There is definitely a consensus that there needs to be a national scheme. There certainly does need to be some consideration in terms of that consistent approach across jurisdictions but, again, that will be informed by the recommendations of the review and the royal commission. I understand both reports are expected in October, which will coincide with a disability reform ministerial council around the same time. October is going to be extremely busy and also will provide us with some insight into where this goes.

Mr TELFER: Are you satisfied with how long it has taken?

The CHAIR: Although the questions are worthwhile, we are floating off into a bit of a general area—the intentions of the federal government—so if we can tie it a little bit back to budget lines, that would be appreciated.

Mr TELFER: Sure, we will continue to look at page 96.

The Hon. N.F. COOK: It will inform the state piece.

Mr TELFER: Are you satisfied with how long it has taken to get to this point?

The Hon. N.F. COOK: On balance, I am a person who likes to see things happening as quickly as possible. I am very aware of the consequences of things that do not go right, but I also know that it is really important if you are looking for long-term change that you get the reform right. It is really important that we work cooperatively with our federal colleagues in terms of getting this right.

There are other regulations under the NDIS that do safeguard. There are regulations within the NDIS provision that make sure that people do not have single providers, so that there is more than one group of people coming in to provide support. There is a new NDIS participant safeguarding policy that will increase monitoring across all participants. There are a range of things going on and I think the CVS will be the icing on the cake.

Mr TELFER: Has your department provided any advice about extending the CVS into private homes?

The Hon. N.F. COOK: I have not recently sought advice on that. I know there has been some advice previously offered around that. I think our view has been to say that that should be an opt-in kind of process. If people wish to have a community visitor to participate in safeguarding and visiting their private home, then they could opt in to that type of system. If I am not wrong, that is the Victorian model. I understand there are some private home visitations that occur interstate. I think that is where we have landed with that but, again, we are just waiting on the review now. The advice will come from the royal commission and the NDIS review.

Mr TELFER: So there is not any intention at the moment for the extension of the CVS program into private homes?

The Hon. N.F. COOK: As I have said, we are waiting for the review and the royal commission and are working nationally to try to get something that is as consistent as it possibly can be.

Mr TELFER: The budget summary, which refers to supporting communities, states that the Disability Community Visitor Scheme has \$1.9 million over four years:

...to extend the Disability Community Visitor Scheme to ensure safeguarding oversight in government-run homes, non-government disability support services and where necessary in private homes.

Regarding that last line, within the budget, is there scope for CVS in private homes or not?

The Hon. N.F. COOK: Yes. We are looking at it as an opt-in in the future, but we are on hold waiting for the review and the royal commission and working with federal counterparts.

Mr TELFER: So where it says 'where necessary in private homes', that should be—

The Hon. N.F. COOK: 'Where appropriate', 'where requested'.

Mr TELFER: But that structure is not in place at the moment?

The Hon. N.F. COOK: No.

Mr TELFER: It probably should not be in the line, really, because at the moment, within the structures you are talking about, it is in government-run homes but not non-government.

The Hon. N.F. COOK: We are preparing for it in anticipation if it should happen.

Mr TELFER: Has it been budgeted for?

The Hon. N.F. COOK: The \$450,000 has been budgeted for since last year. It is being used for training and recruitment and building up the capacity of the community visitor workforce to be able to provide these visits.

Mr TELFER: Out of that \$450,000 or the \$1.9 million over four years, how much is envisioned to be for the extension into private homes?

The Hon. N.F. COOK: I do not know how many people will ask.

Mr TELFER: It is potentially taking budget allocation away from the government-run homes and the like if there is a sudden influx of people wishing to opt in to the extension to private homes.

The Hon. N.F. COOK: We would have to adapt to that as well. There is a degree of flexibility and agility required in a frontline workforce that is not in any other. They are prepared to adapt and ready to adapt. There is a line in highlights that you might want to refer to on page 98 in sub-program 4.1, which says:

Increased funding for the Community Visitor Scheme in line with the government's election commitment and completed a jurisdictional scan to inform potential future models.

In simple terms, I think that says that they have had a look across all the different models, and we stand ready to implement.

Mr TELFER: I will jump back to the Agency Statement, the budget line as a whole, page 85. The net cost of services was \$791 million in 2022-23. The decrease we spoke about: is that a reflection of the changing of allocation to the more national structure?

The Hon. N.F. COOK: Yes.

Mr TELFER: In light of those changes, will there be any potential cuts to frontline services?

The Hon. N.F. COOK: No, not as a result of that.

Mr TELFER: As a result of the change in the net cost of services?

The Hon. N.F. COOK: The balance will be different. The balance will vary according to the demand. It relates to the state's payment to the national scheme, and it is a proportional payment.

Mr TELFER: Will there be a reduction in grants being issued?

The Hon. N.F. COOK: Grants from or to?

Mr TELFER: From.

The Hon. N.F. COOK: From the federal government?

Mr TELFER: No; because of the change in that budget line, from the department.

The Hon. N.F. COOK: It is service delivery, not grants. Do you mean like a payment for service?

Mr TELFER: Yes; funding, like NGO funding.

The Hon. N.F. COOK: I will hand you to Mr Young, who you might have met before.

Mr TELFER: Once or twice.

Mr YOUNG: That budget line is the state's contribution to the NDIS as required under the commonwealth bilateral, and within that bilateral it requires a proportional share based on population share across the country. South Australia had a reduction in the numbers in that space and therefore that payment has been reduced.

Mr TELFER: But the net impact on NGO funding will not change?

Mr YOUNG: That is the total contribution to the NDIS. They then distribute the amounts per plans that is reasonable and necessary. That is South Australia's contribution to that, and every participant in the scheme gets what is deemed reasonable and necessary from the NDIA.

The Hon. N.F. COOK: I have a number for you. The \$450,000 in the Community Visitor Scheme that has been put in compares with what was being put in under the previous government of \$319,000, so it is a 40 per cent increase in funding to the Community Visitor Scheme and it is providing additional resourcing to recruit, retain and train. We have 35 appointed community visitors, and we are pretty sure all—but at the very minimum most—do disability visits.

Mr TELFER: So 35?

The Hon. N.F. COOK: Yes.

Mr TELFER: But you do not have an aspirational target?

The Hon. N.F. COOK: No. Do you want to volunteer?

Mr TELFER: Time will tell whether I have time to be able to do that. I have a kind, soft heart, I am sure. Can I turn your eyes perhaps to page 95 and talk about the line for grants and subsidies, one of which is to Uniting Communities Incorporated for disability advocacy services, and noting that last year in your answer to questions there was expected to be \$100,000 of that grant remaining to be acquitted in 2023-24. Can you advise the current status of this grant, the contract and funding to Uniting Communities Incorporated for this independent advocacy service?

The Hon. N.F. COOK: The first statement is that there is a huge reduction in numbers of people having to go to the tribunal to challenge their plans. That has happened since the federal Labor government came in and stopped the nonsense that was going on, so there is a huge reduction in this, although there still obviously are difficulties with some people with the plans. In the future, you will always have some people who will need some assistance, it is fair to say.

Uniting Communities did receive the \$1.2 million over three years to support the advocacy required to help people access NDIS and community supports. This is run by the UC Law Centre, a separate entity to the NDIS services being provided by Uniting Communities. Is Community Legal providing that assistance? I am not sure of their current status with respect to acquittal, but this current episode of funding comes to an end in December 2023. I have not heard anything recently in regard to this, but I am sure, as is the process generally, there will be a discussion very soon because that is in about six months' time.

Mr TELFER: It will be at that point that the contract with Uniting Communities will conclude?

The Hon. N.F. COOK: I do not have any information regarding that at the moment.

Mr TELFER: Not December 2023, that is when the current arrangements—

The Hon. N.F. COOK: That is current arrangements. There has been significant change to the number of people requiring assistance to go through the tribunal. I would imagine that some of this would be informed by the work being undertaken by the NDIS review, the recommendations of the royal commission and, I would expect, some of the federal policy that has changed.

I have the number in front of me: the 2022-23 October federal budget provided \$21.2 million in additional funding over three years for the NDIS appeals program. That has started flowing to providers since December last year. I think we will probably do a bit of a root and branch review of all of that and see where we are at.

Mr TELFER: Do you have any insight into that decrease in utilisation you talked about? What are the numbers of—

The Hon. N.F. COOK: I think it was about 30 per cent, if I remember rightly. I am happy to correct that. I am sure someone will Google it.

Mr TELFER: The decrease?

The Hon. N.F. COOK: Yes.

Mr TELFER: What are the numbers of people using the service?

The Hon. N.F. COOK: The Uniting Community service? I do not have the most recent report of it. I can report that for six months of last year they had 115 client calls seeking general advice or assistance: 111 from metro, four from regional. Four were referred from other services. They made six referrals to other services. There were 23 successful NDIS resolutions. There were 27 legal representations on behalf of individuals lodging appeals. That was in a six-month period, I understand.

Mr TELFER: Which six-month period?

The Hon. N.F. COOK: Last year, June 2022 to December 2022. For their cumulative client numbers, which was two years of data, it looks as though they had 505 clients—that is inquiries, I think, and sessions—across 382 sessions. Again, I do not want to obfuscate over things, but this is a bit like the CVS thing. At the moment there are two massive review pieces where we are a little reticent to make broad policy decision changes or decision sets without seeing what the royal commissioners are going to recommend, or the NDIS reviewers.

Mr TELFER: Do you have a process for receiving feedback from those 115 client calls?

The Hon. N.F. COOK: Yes, I understand there are contract management reports. I definitely do not have that in my possession.

Mr TELFER: Are they periodic? Are they annual?

The Hon. N.F. COOK: We would have thought quarterly or six-monthly but, again, let's take that on notice and provide you with something that is a bit more meaningful.

Mr TELFER: Yes, I appreciate that. I need to have a full understanding of that.

The Hon. N.F. COOK: Here we go—six-monthly.

Mr TELFER: Through that quarterly reporting of the contract, have there been any changes or adjustments made? Has the feedback led to something different being delivered, or is it business as usual for the service?

The Hon. N.F. COOK: I have met with the team. I was really impressed by what they were able to articulate in terms of how they were offering assistance and the process, but I am not sure about any changes—not that I am aware of.

Mr TELFER: Further to the budget line I am referring to on page 95, given that the service we have just been discussing is the only one currently receiving any government support—which is different to other states in Australia—taking into consideration the Productivity Commission's 2017

costs study report, which supported a fifty-fifty split in the responsibility to fund independent disability advocacy organisations between the commonwealth and the states and territories, can you please advise the following: how does the South Australian government intend to fulfill this responsibility in the financial year 2023-24, and in the forward years of the budget to 2026-27?

The Hon. N.F. COOK: Again, the review, the royal commission—there are a range of different types of advocacy services that we do fund through adult safeguarding, and the Health and Community Services Complaints Commissioner. At the last ministerial national council we signed off on the draft advocacy framework as well, so that is a piece, as we said, being led by the feds. Again, we do not have anything further to go on with there, just that we will be working across our jurisdictions to put in place the best possible service we can.

Mr TELFER: So you do not obviously have an insight then into what will replace the service that Uniting Communities is currently providing when the contract ends?

The Hon. N.F. COOK: I do not have any information whether or not that is continuing or changing, morphing, being replaced, growing or shrinking. I have no information on that at all for you. That is most definitely something as well that we will work closely on with Simon Schrapel and all the other good roosters at Uniting Communities to make sure they are satisfied with what is going on.

The CHAIR: That was the last question. The allotted time having expired, I declare the examination of the portfolio of Disability Services completed.

Sitting suspended from 16:00 to 16:15.

Departmental Advisers:

Mr M. Buchan, Chief Executive, SA Housing Authority.

Mr N. Symons, Chief Financial Officer, SA Housing Authority.

Ms F. Curnow, Executive Director, Customer and Services, SA Housing Authority.

Mr S. Pritchard, Executive Director, People and Strategy, SA Housing Authority.

Mr M. Hayward, Executive Director, Property Services, SA Housing Authority.

Ms C. Burgess, Director, Office of the Chief Executive, SA Housing Authority.

The CHAIR: Welcome, everybody, to Estimates Committee B. The proposed payment portfolios are the South Australian Housing Authority and Affordable Housing. The minister appearing is the Minister for Human Services. I advise that the proposed payments are open for examination. Has the minister any opening comments?

The Hon. N.F. COOK: No.

The CHAIR: Excellent choice.

The Hon. N.F. COOK: I will introduce my team. Is that alright?

The CHAIR: Yes, take this opportunity.

The Hon. N.F. COOK: I will take the opportunity to thank the department for the exceptional work they are doing delivering generational change in public housing. I am very proud to be part of it. To my right, I have Michael Buchan, Chief Executive. To my left, I have Nick Symons, who is the Chief Financial Officer, and to his direct left we have Fiona Curnow, who is the Executive Director of Customer and Services.

To my rear, I have Shane Pritchard, Executive Director of People and Strategy. Could I mention as well Shane Pritchard's incredible job state coordinating during the floods. He did such an amazing job for the people of South Australia. It was much appreciated. Thank you very much. To my rear left, I have Mark Hayward, who is Executive Director of Property Services. In the third line, holding up the team, is Catherine Burgess, who is the Director in the Office of the Chief Executive. They are all exceptional people. Over to you, Mr Telfer.

The CHAIR: You can go straight to questions, if you do not have an opening statement.

Mr TELFER: I will make a bit of a general comment before I start, Mr Chair. Obviously, this is a complex area that we are going to unpack, and I am sure we will only touch on the edges. It is also an area which, unfortunately, has seen a bit of back and forth politically and is often used as a bit of a political football with some of the numbers that are thrown around, I am sure, by each side.

Those of us within this game will dispute some of the different aspects and some of the claims that are made, but it is very clear that the challenges for public housing at the moment are significant and there are significant challenges for public housing not just here in South Australia but across a lot of the country. We have ageing public housing stock, from my perspective, and there is a need for smart decision-making by government and efficient financial decision-making by government to ensure the taxpayer gets appropriate bang for their buck and also that the need which is within the community is appropriately met by the department.

I certainly appreciate those public servants being here today to start to be able to unpack some of these numbers that are here and for me, as opposition lead speaker, to be able to challenge the minister in some of the statements she has made and some of the aspects within the budget, so thank you very much for that opportunity.

I will lead off. I will start with some discussion around the domestic and family violence program and the dedicated beds. I think probably the best reference is right at the back of Budget Paper 5. We are looking at the Housing Authority as the reference point on page 75.

I listened with interest on the radio this morning to your discussions about how you had extended the Marshall government's successful 40-bed DFB program in the budget. This had already been allocated funding under the former government's Homelessness Prevention Fund. Further, the former government was also in the process of extending the 40 beds to 100 beds.

A media release from 6 March advises of the expansion, which had received cabinet approval and was funded at \$1.1 million per annum out of its 10-year \$20 million Homelessness Prevention Fund. Given that this program was approved by the previous government's cabinet before the election, why has this government decided to cut these important domestic violence beds?

The Hon. N.F. COOK: There is no cut. Our component here within housing is the asset and tenancy management component, and the Minister for Women and the Prevention of Domestic and Family Violence will do the funding of the support service, so it just sits across multiple portfolios. You will have to cobble the two together to get your value.

Mr TELFER: Right, so that funding—

The Hon. N.F. COOK: It is actually more annually.

Mr TELFER: As a fulcrum it is more, but it is interagency.

The Hon. N.F. COOK: Yes, that is right.

Mr TELFER: Since becoming the minister, has the demand for the emergency accommodation program exceeded supply; in other words, are the hotels full to the point that people cannot get in and have to make alternative arrangements, sleeping in cars, tents and backyards—those sorts of unfortunate things?

The Hon. N.F. COOK: It is a function of what is available at any point in time. To be fair, I think we cannot look at things in isolation. We have done a review of this program, and we will be prepared to release some of those findings and recommendations and act on those actually really soon. Also, this is sitting alongside a piece of work that we are doing under the older women's housing security task force. This is also sitting alongside all the election commitments we have made in terms of building long-term, secure, safe and stable housing for people, for families, for individuals.

It is fair to say that there are, most certainly, more people who are reaching out to seek advice and support earlier in terms of the homelessness services. Those numbers are reflecting that people are very concerned with the current housing situation. I think the more that we talk about it publicly, two things: the more people will reach out earlier to get support and assistance before they fall into homelessness, as being advised to do so, but also it does shine a light on this situation, and

it makes people more aware of the possibility that they may become homeless if their tenancy or their lease does not get extended.

So there are quite a lot of challenges. I think it is also fair to say that we are looking at how we change the face of the emergency accommodation programs. We have already piloted the Peppertree Place program. That is now in place—has been for six months—which is more of a supported housing-first type model, where people are not going into hotels; they are going into supported tenancies where there are I think nine units on site out there.

We are looking to change what we are doing, because we are concerned that there is often a demand that cannot be met. This is not a new thing. This has been a thing for a very long time, and it has been exponentially increasing with it being very obvious that between 2017 and 2022 there was an increase from I think it was \$4 million right up to \$11 million being spent annually on emergency accommodation. I cannot remember the date, and my chief will be very angry at me, but \$20,000 were being spent some couple of decades ago on this, so it has become very difficult and very challenging.

Mr TELFER: You talked about that report, that piece of work, being completed really soon.

The Hon. N.F. COOK: Yes, the emergency accommodation program review in full, I believe, has pretty much been completed now, and I am just waiting for the report.

Mr TELFER: So are you expecting that to be—

The Hon. N.F. COOK: Imminent.

Mr TELFER: Imminent. Is that something that is going to be public?

The Hon. N.F. COOK: Yes. It is actually work that has been done through the alliances. I think that is absolutely a fair question, and I look you in the eye and promise you that will be public.

Mr TELFER: Thank you. I look forward to that being tabled in parliament.

The Hon. N.F. COOK: I do not think it will be tabled in parliament. I do not think there is an obligation to table in parliament.

Mr TELFER: I look forward to it being published.

The Hon. N.F. COOK: I can do. I can put it in your hand or on a table.

Mr TELFER: Thank you. I will very much appreciate that. Continuing on, and once again it is probably best placed on page 75 of Budget Paper 5. This is about the Homelessness Prevention Fund. On coming into government, as minister you would have had access to over \$16 million from the previous government's Homelessness Prevention Fund, which was a 10-year \$20 million fund. What has happened to that funding?

The Hon. N.F. COOK: It is being used for services now when we need it, rather than parked into the ether.

Mr TELFER: Right, so it has been brought forward, and that means that in the future there is not that same fulcrum?

The Hon. N.F. COOK: No, but there is over \$400-odd million being spent on housing by us and the feds.

Mr TELFER: Something that I have asked you about in parliament, and I would like to unpack a little bit more, is the Hutt St Aspire Program.

The Hon. N.F. COOK: A terrific program.

Mr TELFER: Probably. I have down here Budget Paper 1: Budget Overview, page 6, the Aspire homelessness program, one of the highlights there. There is a reference to \$1.7 million for the Hutt St Aspire homelessness program. The question is that the Aspire Program is only being funded for less than 20 per cent of what they requested. What will the impact be on staff who might be attracted to work for other services due to that uncertainty of funding?

The Hon. N.F. COOK: I do not have any evidence of that actually being the case. I am advised by Hutt St that they are very glad that there is certainty for their staff moving forward in terms of that being another intake. As you would be aware, an intake is four years' worth of funding for that. On top of that, we have also provided the indexation money that is going out the door and as well we have given—this is on top of the money, the half a million per year, that we already gave last year, so there is quite a significant degree of confidence in the sector, in terms of they have a government here looking after their best interests and the interests of the people who need them to be looked after.

We have also made a commitment this year to work with Hutt St, which is now again, thankfully, part of the Toward Home Alliance. Moving forward, we will look at how these, for want of a better word, case management focused, outcome focused services do get funded and are delivered going forward.

You may not be aware, but the National Housing and Homelessness Agreement is also under review by the federal government. The federal minister and the team provided a year of funding and, in partnership with the Treasurer and our government, we have said to the sector, 'We want to give you some certainty, so we will back you in for two years, even though the national agreement only has one more year to run.'

The national agreement will be up for review this year, and I will be working as part of that housing ministers' team to make sure we get the best results for the new agreement moving forward into a new world. As we know, things change. I am looking forward to being a part of that review, but our state government has provided an additional year of certainty for the sectors, which have gone through a lot of change recently, and we felt that was the right thing to do.

Mr TELFER: We understand in the opposition that the Hutt St Centre sent a letter to the Premier requesting \$9.2 million as opposed to the \$1.7 million which they were provided. You have obviously had the conversation with them since, that you speak about. Have you had an insight into what impacts that might have on their service or potential service without that higher level of funding that they requested?

The Hon. N.F. COOK: It is fair to say they know that we need to sit down and work out where we are going moving forward, but they are now part of the Toward Home Alliance, which under the previous government they were not. So they do have a degree of confidence moving forward that they are in the tent and they are part of the trusted service delivery model and we will be working with them to ensure a future.

Mr TELFER: At what point in time, if ever, will the government consider the larger quantum of funding which they have requested of the Premier?

The Hon. N.F. COOK: I will not get the *Funk and Wagnalls* out and give you a history lesson, but it was birthed under the Weatherill government as a social impact bond. The pure funding model, by design, is a different model from what we would expect moving forward, so we will need to work with them on how we structure that.

Mr TELFER: In recognition of what you have been saying, do you recognise that there is a need for further reform in the homelessness and social housing sector?

The Hon. N.F. COOK: Yes.

Mr TELFER: Is the need—

The Hon. N.F. COOK: Always.

Mr TELFER: Is the reform that is needed going to need to be significant?

The Hon. N.F. COOK: It depends whether you mean significant as in meaningful and getting better outcomes or whether you mean significant as in disruptive and a lot of change that is poorly planned and is not good for the sector. The latter, no; the former, yes. I will be working with the sector, with the national housing ministers' council, and we will work to ensure that we have an outcomes-based person-centred responsive homelessness sector that I hope—I am sure all of us are on a unity ticket that we want to get people out of the cars, out of the streets, into homes.

Mr TELFER: Obviously, the outcomes are what is key in this space. The question probably is: are there significant structural reforms that you think need to happen?

The Hon. N.F. COOK: I believe in the alliance structures. I believe in the idea of having a geographically aligned, tailor-made suite of service providers that can do place-based evidence-based informed service delivery. I believe they are getting to a point where they have now been settling in. It is fair to say they are still quite challenged with some of the processes but I believe that, moving forward, alliances are the way to go. I am on record criticising the rollout of them and I back that, I stand by that statement—I do not believe that was a good way to roll them out. We have spent the last year or so helping them to repair those relationships.

Mr TELFER: Are there any specific reforms that you as minister are undertaking or are championing?

The Hon. N.F. COOK: Building houses.

Mr TELFER: I am talking about the—

The Hon. N.F. COOK: You cannot uncouple it. It is absolutely together. You cannot uncouple it. It is so intrinsically linked: the building of homes, the provision of homes, the working with the federal government on homes, the pipeline of homes, the affordability of homes and services to get people in them—that is the biggest reform. This will be a generational change in the delivery of public housing.

Mr TELFER: But not within the management of it, if and when those houses come on board?

The Hon. N.F. COOK: You mean tenancy support?

Mr TELFER: The structure of the management of the housing.

The Hon. N.F. COOK: Do you mean like bureaucratic structure in the department?

Mr TELFER: And with NGOs.

The Hon. N.F. COOK: There are about five different things there. We believe in strong social housing partnerships across public and community housing providers. We believe in ensuring that we can provide the best possible support to tenants, as complex as many of them are, to maintain their tenancy. We do struggle, along with community housing providers, to ensure that the harmony and the amenity exists within tenancies that provide a quality of living that is what people expect. It is a challenge.

If you want to know: is there reform that is needed and being undertaken to ensure that that is happening—yes. We are philosophically driving an approach that puts the tenants at the centre of what we are doing and we are also creating a much more agile way of thinking within the Housing Authority so that they feel the permission to be innovative and also they have absolute permission to reach out to us as elected members to assist us in formulating policy that is going to change the way public housing and community housing interact with the community for years to come.

Mr TELFER: Thank you. I would like to unpack a little bit about the public housing improvement program referenced in Budget Paper 1: Budget Overview, pages 6 to 7, and also in Budget Paper 5: Budget Measures Statement, page 8, A Better Housing Future. Last year, in estimates, you stated that none of the new 400—and now 560—properties would be built through demolition of existing properties or through purchasing land. Do you stand by that statement?

The Hon. N.F. COOK: Effectively, yes. I am just trying to work out whether there would be anything new to add. There are a whole range of ways that we are delivering our properties. These are not the only properties we are building. Underneath that as well there are renewal programs that are happening within our stock levels and our standard building program. What the election commitment and what the Mid-Year Budget Review and the accelerator fund from the feds and one day, if the national Liberals and the Greens stop drinking the Kool Aid on thinking that a HAFF will not work when it will, we will have more.

All of these things cumulatively together, as well as reviewing where we are from a financial position, reviewing what was estimated to be required in the future to maintain financial viability of

the Housing Trust—which, shamefully, was a continued sell-off of houses—we have reviewed and changed all of that, which will give us additionality in housing in the next few years, in the hundreds and hundreds.

We are committed to using land we already have. We are committed to using land that has become available to us through land releases. We are committed to partnering with community housing providers to accelerate or increase what we are able to offer from a social housing point of view. Within the budget that we have, we do not have a budget to buy land so we are using the land that we already have. In saying that, I understand we have been able to secure some land in a regional area, but we cannot share any more on that yet.

We are looking at how we can leverage and acquire land through purchases or swaps or whatever way we can do it. The simple math of stopping 580 sales and adding the election commitment plus the Mid-Year Budget Review gave us a predicted amount of 1,144 additional homes to what was expected under the previous calibrations that were left to us by the previous government. That is very exact and precise. I am nervous with numbers that go down to the one.

Mr TELFER: Exact and precise.

The Hon. N.F. COOK: Yes, that is very exact and precise. I hope that now—and I am confident now—with the federal accelerator money, which is \$135.8 million that I proudly signed the papers for yesterday and that will appear in our bank account very soon, that will assist us through our partnership with the feds, through our hard work with the Treasurer, with the Minister for Housing and Urban Development and Planning, with the Minister for Family Business and Consumer Affairs, to work together with the Premier to deliver a vision of many more houses and more affordable rentals going forward.

Mr TELFER: I will double back to the federal Social Housing Accelerator stuff and unpack that a little bit more with you, minister. I am still concentrating on the public housing improvement program election commitment. You are highlighting that, at the moment, you are not envisioning having to purchase new land. With the demolition of existing properties out of that new 400, you are still sticking to that, that it does not need to happen to be able to achieve that new build?

The Hon. N.F. COOK: As you stated in your opening statement, there are many older homes. The average age of our Housing Trust or public housing is between 40 and 50 years old. I think the member for Giles, who is chairing this committee, would like to tell me about the many houses that are much older than that in his electorate, which I have visited several times. Some of those are mighty fine solid homes, are they not?

The CHAIR: We are all solid out there.

Mr TELFER: The ground does not move much.

The Hon. N.F. COOK: But they are not good from an electricity point of view, an energy point of view, an accessibility point of view and we want to do better. We need to do better. Member for Flinders, there will absolutely be homes that are standing that will need to be demolished. What will happen is they will become one, or two, or three homes. I guess what we have said clearly—and I will re-articulate this—is we have not said we will sell no homes. That would be foolhardy, because there are some properties that are in locations which are not near transport, not near schools, not near shops, not near the community, and not fit for purpose anymore for public housing.

They may well be in a place where a private person might want to buy a home or whatever, but if we were to sell a home, I can guarantee you that will become at least one more home somewhere else. We will at least replace it and I am guarding those proceeds. They are going straight into the build the houses bank account. We have a high level of monitoring on this and also there is a board that is watching everything we do in regard to this. There is a bit of land purchase available through some of the programs, but the PHIP did not have any budget for buying land. You can give me some if you wish.

Mr TELFER: You are the minister with the budget, so you can use it as you see fit and I will question every step of the way.

The Hon. N.F. COOK: Good on you.

Mr TELFER: I am happy to note that aspect. Can you rule out using sites which had been allocated to the Affordable Homes program for that new builds promise that was made?

The Hon. N.F. COOK: The economics move and change. We have made sure that the Affordable Homes program fits within the future and the future mission of what we are doing, given the changing dynamic of the community and how the community is. We cannot say that there will not be some movement around where planned homes were going to be done for the Affordable Homes project, but now that there is more land being released, those homes may actually appear in some of those other areas and we may put public homes there.

Any opportunity for me to get a public home for either a family, a single, a couple, or whatever, in a place where there is a community of like-minded people, near a school, near the shops, near the train line—we will take it. There may be some moving around, but you will not see numbers being played with.

Mr TELFER: In the full gamut of housing, I think that the Affordable Homes program is important for new builds for people obviously to have affordable homes, as long as that is not cannibalised—

The Hon. N.F. COOK: Correct.

Mr TELFER: —to try to achieve outcomes for an election commitment on new builds.

The Hon. N.F. COOK: All supply is good supply. The people on either side of me will correct me if I am wrong, but I understand there may have been an allowance in the Mid-Year Budget Review money so that we could potentially acquire some land if we so need to, but I am not 100 per cent sure. There is some allowance around that but, again, that is not our primary mission here: it is houses, houses, houses.

Mr TELFER: Do you have an insight into what you are budgeting for the current cost per dwelling for those new homes?

The Hon. N.F. COOK: It does vary. There is an average amount that you could calculate, but also it is fair to say we have been considering what built form can look like. Two bedrooms, three bedrooms, four bedrooms, single storey, townhouses, regional—they all have different costs. I think to put an average price would be skewed because a house in a more remote area with four bedrooms might cost us \$700,000 or more, whereas were that house close to the CBD we could be spending \$350,000 to \$400,000.

Mr TELFER: But within the budget process, you would have had to have worked out an average, what you are trying to achieve with the dollars you have.

The Hon. N.F. COOK: We have not gone, 'Okay, we have \$500 million'—this is just a furphy—'What can we do? We want to build 500 homes. Okay, \$1 million each.' That is not how we are operating. We are saying: what do we need, where do we need it, how many can we fit and what does that look like with that? We are not saying our average spend is \$450,000 so we are going to do 10 at \$500,000 and 10 at \$400,000. We are saying: these are the types of homes we need, this is where we need them, what can we do with what we have, and how do we go looking for more? We went looking for more and we won—because we have more.

Mr TELFER: Do you have an average? I am noticing the difference for city versus regional.

The Hon. N.F. COOK: We can provide you with some calcs on it. For example, we have just done 10 or 12 homes in Mount Gambier, and they average about—

Mr TELFER: Even the ones you have done, you do not know. That is a worry.

The Hon. N.F. COOK: I am devastated. A two-bedder regionally is about \$335,000 and a four-bedder is about \$478,000. If we do a metro home, a two-bedder is about \$271,000, so about \$64,000 less. There is a significant difference between metro and regional and between product and form. This is a snapshot of one tender package.

Most recently, we have released a tender package for 103 homes. They will vary, and they will be different from the next lot, which will be 48 homes going out in August. They will be different

as well because they have different locations and types. We are trying to address waiting lists, too. There is a big difference between a waiting list in Whyalla and a waiting list in metro Adelaide in terms of the mix of people, so we are trying to do it smarter.

Mr TELFER: Are the average costs that you quoted for the building only? They are not for the land?

The Hon. N.F. COOK: No, because we own the land.

Mr TELFER: It is existing land.

The Hon. N.F. COOK: We have the land.

Mr TELFER: In the election campaign promises and policies that were made, you quoted that 350 homes currently sit empty. How many have received upgrades in the time since you have been minister?

The Hon. N.F. COOK: About 70 or 80 in the PHIP so far. About 54 or thereabouts, give or take a couple, have been tenanted—51 are fully upgraded. In the next week or two, there will be another 30, so that is 80. We are already just over a quarter of the way in.

Mr TELFER: Around 80. Did you say how many were tenanted?

The Hon. N.F. COOK: Yes, 51.

Mr TELFER: So 51 are the ones that are tenanted and the 30 additional will be—

The Hon. N.F. COOK: It might surprise you to know that other homes have become empty since then that we are now working on.

Mr TELFER: Outrageous! Within that policy position you talked about a blitz.

The Hon. N.F. COOK: The 3,000?

Mr TELFER: Yes, the 3,000.

The Hon. N.F. COOK: Again, it is varying. Building homes goes out in tender blocks and builders apply. Some of that PHIP major upgrading is a similar sort of process. The blitz, through our multitrade contractor service—and I am sure it is no surprise to you that it changed. From 1 January, there was a brand-new multitrade contractor service provision model. In order to maintain doing as well as we could in terms of the other maintenance work, we have started slower with the blitz work, but that will ramp up now as the multitrade contractors are improving.

We are only down in the hundreds out of 3,000, whereas we are overperforming in the other areas. We are looking at black mould—which is a perennial—painting, insulation, air conditioning and energy efficient water pump heating as part of that as well. There has been a later start on it, but we expect to accelerate that. We will identify additionally the 950 homes per year to get those up. We will tweak our expectations. It will be done, though, do not worry.

Mr TELFER: I am not a worrier. I am just one who holds people to account. You said I might be surprised about housing that may become vacant. Do you have any idea about the current vacancy rate of public housing properties?

The Hon. N.F. COOK: I do. I just so happen to have it here. As at 31 May, 237 properties were offerable and up for tenancy, which has reduced by 151 since 31 May 2022. There are lot fewer properties sitting there turning over. In 2021, at around a similar time, it was 621. So, at 30 June 2021, 621; 31 May 2022, 388; 31 May this year, 237—so a lot fewer properties are ready for tenancing, sitting vacant. There is a total vacancy, so that includes the ones not ready to tenant, maybe undergoing maintenance and what have you and also maybe in the lot that we say, 'They are rubbish. We need to do something with them.' There are only 1,495, and that is down in the last two years from 1,912.

Mr TELFER: So that 1,495 is the total, including the 237, or is it in addition to?

The Hon. N.F. COOK: No, that is the total vacant properties.

Mr TELFER: As a proportion of the total stock?

The Hon. N.F. COOK: Less than 5 per cent.

Mr TELFER: I will double back to the subject matter you brought up before—the Social Housing Accelerator fund, and the reference of Budget Paper 1: Budget Overview, pages 6 and 7, the housing package with reference to the National Housing Accord. You started to unpack a little of what it might be. In relation to that \$2 billion Social Housing Accelerator fund, you spoke about the \$135.8 million.

The Hon. N.F. COOK: Yes, signed yesterday.

Mr TELFER: As a percentage of federal government funding pools, South Australia usually sits around that 7 per cent.

The Hon. N.F. COOK: Thereabouts.

Mr TELFER: Why are we less than that for this \$135.8 million?

The Hon. N.F. COOK: Because the small states—Tasmania, ACT and Northern Territory—got a guaranteed funding minimum of \$50 million, no matter what their population was. That means that the remaining \$1.85 billion was divided by population ratio amongst the rest of the states, so it will be slightly less than the nation's share, yes. Are you with me?

Mr TELFER: Can you unpack that a little bit more? The smaller states, including Tasmania and the Northern Territory, are actually going to be getting less than their ordinary percentage—

The Hon. N.F. COOK: No; more.

Mr TELFER: —per head of population?

The Hon. N.F. COOK: More: they have got a minimum of \$50 million.

Mr TELFER: Yes, but our percentage of the \$2 billion is less than 7 per cent, which we ordinarily would—

The Hon. N.F. COOK: We are getting a percentage of \$1.85 billion.

Mr TELFER: Can you say that again slowly for me, and we will get our millions and billions right?

The Hon. N.F. COOK: I will not do it slowly because it will sound ridiculous. The small states, irrespective of their population share per head of population, are getting a minimum of \$50 million. If their population was 2 per cent—he is the money guy, right? This guy we are trusting with one job—

Mr TELFER: Out of the \$2 billion.

The Hon. N.F. COOK: One job: \$150 million goes to three smaller states even if they are only entitled to—

Mr TELFER: Yes, that takes us down to 1.85.

The Hon. N.F. COOK: —on a population share of \$30 million. So they have \$50 million each which reduces the base funding which now becomes \$1.85 billion instead of \$2 billion, divided per head of population amongst Queensland, New South Wales, Victoria, WA and us, so we are all getting our population share of \$1.85 billion, not \$2 billion.

Mr TELFER: Which are the smaller states; we are not one of the smaller states?

The Hon. N.F. COOK: No, three of them: Tasmania, ACT and the Northern Territory.

Mr TELFER: Those three states are getting a higher proportion of the national—

The Hon. N.F. COOK: Yes, because they were given a guarantee of a minimum of \$50 million, so they are getting above, yes.

Mr TELFER: Why are they treated differently from the normal—

The Hon. N.F. COOK: I am not the federal minister. You will have to put your—

Mr TELFER: Have you asked that question of the federal minister, perhaps?

The Hon. N.F. COOK: It is a matter for the Treasurer, I think. I am focused on what we can do with what we are getting. I am content with that amount.

Mr TELFER: You are satisfied with less than our normal pro rata?

The Hon. N.F. COOK: I am satisfied with much more than you would have got, and I am satisfied with putting in more new money into housing than the previous government even dreamt of.

Mr TELFER: So you do not reckon our state has been short-changed?

The Hon. N.F. COOK: No.

Mr TELFER: Will the funding go towards the state government's public housing improvement program that we talked about earlier?

The Hon. N.F. COOK: There is a line in there somewhere that says it has to be additionality.

Mr TELFER: Additionality from the state's budget?

The Hon. N.F. COOK: We have to grow.

Mr TELFER: Or additionality from what the policy was without a budget allocation from the state? Let me unpack it a little bit. Coming into government you had a policy position that you were going to do this, this and this.

The Hon. N.F. COOK: Yes.

Mr TELFER: You may not necessarily have had a budget allocation which sufficiently covered those amounts. The federal funding then comes in—

The Hon. N.F. COOK: I think we did, but anyway.

Mr TELFER: Yes?

The Hon. N.F. COOK: Yes.

Mr TELFER: The money that is coming in is going to be over and above the promises that were made in that 2022 election campaign.

The Hon. N.F. COOK: Because when we came in we promised 400, then we managed to squeeze out 437, then we got 55.2 and then we made it into 564, and now we are getting 135.8. I have not even done the maths on that yet because I am just too excited.

Mr TELFER: I do not think even the next door—

The Hon. N.F. COOK: He is; moneybags here is, he has taken his shoes off and everything.

Mr TELFER: I do not know if he can do the calculations or not, but that is interesting to know. The federal money is going to be over and above anything that was already promised within the policy in the election campaign on the public housing improvement program.

The Hon. N.F. COOK: Sorry, member for Flinders, can I just say as well, let's make sure that we are very clear: this accelerator is a social housing accelerator and the decisions are subject to our cabinet working out how these things will be done across government, and this could include community housing partnerships. In fact, we would be bonkers to not think about that because they can accelerate and have greater additionality leveraging other funding arrangements, which is why they are good to partner with. It can be used for renovations as well, so we could add to the PHIP and do some good work. In fact, I was in Ceduna last week and I am looking forward to talking about that with you at some point.

Mr TELFER: Hear, hear! You introduced the concept of the community housing sector. Is there a proportion of that 135.8 that you envision would be provided to—

The Hon. N.F. COOK: I am not being funny, but these decisions are yet to be made.

Mr TELFER: You have not got to a point where you are deciding which way you are going to slice up the 135.8?

The Hon. N.F. COOK: It will be led by the Treasurer.

Mr TELFER: Sure. Have you had a mind to envisioning the process that the community housing sector might be able to engage, notwithstanding that you are not going to know the fulcrum of a dollar figure? Is it going to be a grants program? Is it going to be an expression of interest? Is it going to be—

The Hon. N.F. COOK: Again, to be perfectly fair and honest, this would be a premature conversation. We have a good track record in working with our community housing providers. We assured their peak body of funding going forward last year for a period of time where that had not been the case and they had been left swinging in the breeze because we knew how important it was to have a strong community housing sector to work with going forward, knowing the policy of the Labor federal government and once that became a reality. We knew this is where they were heading: partnerships, changes, the HAFF, all of those things.

I have woken up at night dreaming about Bob the Builder and houses and all of the things. There are many ways to cut it up. I am keen to hear suggestions as well from other members. If you have any ideas, I can feed them back. But we have not made any definite decisions, so I am not going to pre-empt process either.

Mr TELFER: Thank you.

The Hon. N.F. COOK: No worries.

Mr TELFER: I certainly do not dream about Bob the Builder.

The Hon. N.F. COOK: I do.

Mr TELFER: Can I turn your mind to the Affordable Housing Initiative, Budget Paper 3, Budget Statement, page 73, Capital investment programs. I am a study of *Hansard* and noticed on 3 December 2020, before you were minister, that you made the following contribution in a speech regarding the then Marshall Liberal government's Affordable Housing Initiative. I will quote from the *Hansard*:

In terms of the affordable program and its pricepoint, \$400,000 is pretty high. I have an adult daughter who is on a low to middle income and there is no way she is looking to purchase a house for that price.

Further down in the speech you say:

I hope that the pricepoint is looked at...

Now that you are in place in the minister's role, you have reviewed the pricepoint upwards by some 57,500 to 479,550.

The Hon. N.F. COOK: In a market where housing itself has gone up 25 to 40 per cent, this increase is low.

Mr TELFER: Do you think that aforementioned adult daughter is more likely or less likely—

The Hon. N.F. COOK: She is still not in a home of her own actually, just so you know.

Mr TELFER: —to be able to purchase a home under the Affordable Homes program? Do you think that affordability line which you—

The Hon. N.F. COOK: Obviously, the world has changed significantly since then as well. We are in a shocking state with houses and affordability. That is why there is a whole suite of measures that have been put into place, including private rental reform, increased assistance with private rental and, obviously, huge investments in public housing and social housing. All of these things are so important because housing affordability, not just here but globally, is worse.

It is terrible for people, especially young first-home buyers, and we acknowledged that in the last budget. We removed stamp duty for new first-home buyers and properties. We changed the qualification levels around this. We have done a whole range of reforms. We have a very committed team across ministerial portfolios who are delivering a huge suite of measures across housing. As I said, depending on where you are the cost of a home has gone up 25 per cent to 40 per cent or more in many areas. I am not telling you anything you do not know.

That rise—we pontificated over that, let me tell you. It is not done easily. I remember making those comments in the context of—this was all the last government was pretty much putting on the table ahead of just the standard building program. There was no will or desire to invest in increasing the public housing stock.

We are hoping to change the face of housing affordability by releasing all of this land. It is about supply, and then it is about supply, and then it is about supply. We hope to improve all of that, and then behind the scenes all my other good friends are working on jobs, the economy, all of that growth, to make people's capacity to afford better.

Mr TELFER: It is a long way to not really answer a question, but that is fine.

The Hon. N.F. COOK: I liked it.

Mr TELFER: In the last 12 months do you think either yours or another fictional adult daughter is—

The Hon. N.F. COOK: I beg your pardon?

Mr TELFER: I am happy to—

The Hon. N.F. COOK: She is a real adult daughter.

Mr TELFER: No, I am saying I do not need you—

The Hon. N.F. COOK: She cost me a lot of money, if she is a fictional adult daughter.

Mr TELFER: —to reflect on your own; I am saying someone in a similar circumstance.

The Hon. N.F. COOK: I was going to say: she is a very expensive fable.

Mr TELFER: Someone in a similar circumstance, not referring to personal—

The Hon. N.F. COOK: You mean someone else's daughter or whatever?

Mr TELFER: Someone else—it may be. Do you think that the last 12 months has seen housing become more affordable for someone to get into the market—

The Hon. N.F. COOK: No.

Mr TELFER: —or less? So when do you see that change? You talk about supply—

The Hon. N.F. COOK: I tell you what: if the Libs and the Greens federally vote for the HAFF there will be a lot more supply and things will get better.

Mr TELFER: It will be interesting.

The Hon. N.F. COOK: It really surprises me why the Coalition team is now so opposed to a futures fund when they in fact had their own. What is the change of policy, or is it just political bloody-mindedness? I do not get it.

Mr TELFER: I refer next to Budget Paper 5, the Budget Measures Statement, and the interactions of the minister's office, specifically the housing aspect and the response. As minister, how long do you think a vulnerable person should have to wait to receive a response from your office?

The Hon. N.F. COOK: You mean, like a letter?

Mr TELFER: A response, so a—

The Hon. N.F. COOK: Or answering the phone?

Mr TELFER: —vulnerable person reaching out to the minister: what is your expectation, from your office, of a response?

The Hon. N.F. COOK: There are a whole range of levels of vulnerability. Are you talking about someone who is threatening self-harm, or are you talking about somebody who requires assistance with securing advice about a future rental property, or—

Mr TELFER: So your response time changes, depending on the level of vulnerability?

The Hon. N.F. COOK: Absolutely. It is called triage. French word. Very meaningful.

Mr TELFER: What is the gold standard for someone who you would triage as someone who is the most vulnerable you can get? What is that response?

The Hon. N.F. COOK: Immediate.

Mr TELFER: Immediate?

The Hon. N.F. COOK: Immediate. Someone is threatening self-harm: immediate.

Mr TELFER: On a sliding scale: what is the extension to what you see as an acceptable level of response for someone who you say is triaged in a different way?

The Hon. N.F. COOK: Member for Flinders, there are so many different options and extensions. There are some people who are responded to very quickly, because the response is able to be provided by the minister's office directly without having to go through departmental processes. There are some people who have provided other context via other means. We have some people who have reached out to different offices, so the files are all pooled together. Honestly, it is very different.

We would always endeavour to ensure that the person is connected with the homelessness services immediately, if that is what is required, and then there may be a next step to the offering of advice. Do you have a specific example that you would like to—

Mr TELFER: No, I am looking at the general response within the minister's office. Obviously, immediate is immediate.

The Hon. N.F. COOK: Yes.

Mr TELFER: What is the full extension to what you would accept as minister for a response time?

The Hon. N.F. COOK: Again, I am not being tricky or anything, my friend, but I cannot give you an answer without a specific issue.

Mr TELFER: Three days, one week, two weeks?

The Hon. N.F. COOK: All of those.

Mr TELFER: Four weeks?

The Hon. N.F. COOK: All of those.

Mr TELFER: Six weeks?

The Hon. N.F. COOK: And that.

Mr TELFER: Eight weeks?

The Hon. N.F. COOK: Again.

Mr TELFER: Four months?

The Hon. N.F. COOK: Depending.

Mr TELFER: Six months?

The Hon. N.F. COOK: Any further bidders? Whatever is appropriate for the particular situation. We do our very best to get back to people immediately, straightaway, and, as you know, across the chamber to you.

Mr TELFER: Who does the triaging within your office?

The CHAIR: Is this related to a particular budget line?

The Hon. N.F. COOK: I have no idea. We are having a great chat.

Mr TELFER: Yes. The reference before, back to page 75, Mr Chair, which is the general operations.

The Hon. N.F. COOK: We cannot find that, but we are happy to discuss this. I tell you what I do not do. I do not round people up and put them in someone's lounge room and talk to them.

Mr TELFER: Can I get an understanding into that process? You talked about a triage process. There is a process within your office by which you make the judgements on urgency and significance of vulnerability.

The Hon. N.F. COOK: And people in the office have had a level of support and training to be able to identify critical turning points in people's lives, to be able to work out whether or not these issues need to be dealt with on the spot or they have weeks to allow them. Honestly, I have trouble answering the question because someone threatening self-harm is different from someone who is—I can give you an example of a letter I received from the person formerly known as minister.

We were reached out to, to provide support for someone who was losing a rental tenancy, so we had to seek further advice on that. We went to the department. The department reached out and had a look at what was going on. The person was in a nursing home. They had been placed in a nursing home and did not require attention and support.

There is a variety of different things and responses that need to happen. It is very difficult. We appreciate all the letters we get from members, and most of the ones from members of parliament have quite a level of work that has generally been done before they come to us, so they can often be responded to quickly or sent off to the department and responded to quickly or we can respond to the individual within days to a few weeks. Some of the other ones take a lot of work to get the background because things are not always as they seem when they come straight to you, but if there is anybody whose life is at risk, my expectation is that that is immediately attended to.

Mr TELFER: With that process, is there a periodic internal review within your office to ensure that the judgements that are being made by the highly professional staff who you referred to are accurate and appropriate, or look at whether there needs to be a change to those processes?

The Hon. N.F. COOK: It would be fair to say we have those conversations regularly and our office internally also does that.

Mr TELFER: Has that led to any changes in the way you are responding or the way you are triaging potential cases?

The Hon. N.F. COOK: There is sort of a layered approach that happens as well with the department and the department officials when the request for a brief or a draft response or whatever goes through, so it does vary. I think we have a very stable team in my office, very stable, and watching those skills develop over the last 12 months has been pretty good.

Mr TELFER: We are getting closer to the end of the time, but can I refer you to the Budget Statement, Budget Paper 3, page 80, in reference to the FTEs of SAHA. We see in 2023 there is an estimate of 824.2. The 2024 estimates are 798.5, so a decrease of 25.7, and it keeps decreasing over the forward estimates.

The Hon. N.F. COOK: Yes. We have lost a bunch of staff because the National Partnership Agreement on Remote Indigenous Housing was cut, so that will come to an end. That was ended under the last government.

Mr TELFER: There is an increasing decrease in the FTE over the—

The Hon. N.F. COOK: Yes, they are grant-related and capital-related programs. As we do capital programs, we might need to employ staff to manage those and deliver them, so that will change. We have grants—

Mr TELFER: Which programs are being cut to provide such a significant decrease in the FTE?

The Hon. N.F. COOK: The Affordable Homes initiative to deliver the remaining hundreds of homes will happen over the next three or four financial years and then they will stop, so that loses 15 or 20 staff. The Neighbourhood Renewal initiative is going on for another two years. That loses eight and three staff.

All of these programs that are grant-funded programs like the PHIP—we anticipate our PHIP will be finished in the financial year 2025-26 and we have 16.1 staff allocated to that. But the current PHIP finishes in 2025-26 so you lose 16 staff there. These are project funded and we do not yet have the allocation bedded in there for the \$135.8 million because we have only just signed the paperwork and these papers were done in advance. So there will be a change already to the anticipated amount.

Mr TELFER: Even before it is in place.

The Hon. N.F. COOK: Yes, so it is grant stuff.

The CHAIR: With that response, the allotted time having expired, I declare the examination of the portfolios of the South Australian Housing authority and Affordable Housing completed. The proposed payments for Administered Items from the Department of Treasury and Finance are referred to Estimates Committee A. Thank you for the very civil manner in which this was all conducted. Thank you to the public servants for all the effort leading up to estimates and for all your effort leading into the budget. Thank you very much.

Membership:

Mr Teague substituted for Mr Telfer.

Departmental Advisers:

Ms R. Ambler, Acting Chief Executive, Department of Human Services.

Mr D. Green, Acting Chief Financial Officer, Finance and Business Services, Department of Human Services.

Ms K. Hawkins, Executive Director, Inclusion and Reform, Department of Human Services.

Ms A. Reid, Executive Director, Community and Family Services, Department of Human Services.

Ms M. Fernandez, Director, Communities and Justice, Community and Family Services, Department of Human Services.

Mr G. Myers, Principal Project Officer, Office of the Chief Executive and Governance, Department of Human Services.

The CHAIR: Welcome everybody. The portfolio is Youth Services. The minister appearing is the Minister for Human Services. I advise that the proposed payments remain open for examination. I call on the minister, if she wishes, to make a statement and, if not, to introduce the advisers.

The Hon. N.F. COOK: Thank you. I will not be making an opening statement. I will just welcome our team back. This team does an extraordinary job, often in very challenging circumstances. To my right I have Alex Reid, Executive Director, Community and Family Services; to my left, the Acting Chief Executive, Ruth Ambler; and to my far left, Daniel Green, who is Acting Chief Financial Officer, Finance and Business Services.

To my rear, I have Katherine Hawkins, who is the Executive Director, Inclusion and Reform; sitting to her left, Greg Myers, Principal Project Officer, Office of the Chief Executive and Governance; and in the rear here, holding up the team, is Mellanie Fernandez, the Director of Communities and Justice, Community and Family Services. It may be her first estimates with us, I think. Welcome.

The CHAIR: Does the lead speaker for the opposition have an opening statement? If not, we can go straight into questions.

Mr TEAGUE: I will go straight into questions, Mr Chair, if I may. Minister, I direct my questions to Budget Paper 4, Volume 3, page 94. I have in mind also, for context, an answer that the

minister provided to me in question time on 14 June, which might run in parallel to the line of questioning.

I am here primarily focused on FTEs as of 30 June, which is at about point 2 or 3 on the page. The bottom of the table at the top of the page sets out there the estimated result for FTEs at 329.5 for 2022-23, and the budget FTEs at 316.8, and I might say that is coming off a 2022-23 budget of 331. There are around 14.2 less FTEs than budgeted for last year, and there are about 45.2 less than the actual result in 2021-22, so I am interested to know what the reason for that is.

Mr GREEN: In terms of the first part of your question, which is the 2023-24 budget versus the 2022-23 estimated result, if I may just begin by highlighting that all of the programs in the Budget Statements have overlays or allocations of corporate overheads. That is pretty normal practice in the budget papers, to spread the cost of the corporate support in the department across all of its programs.

Some of the FTE movements and budget movements you see in the program statements do reflect changes in the composition of corporate overheads. Certainly, in the case of the youth justice program, a meaningful part of that reduction is actually the change in the level of corporate overhead FTEs, and not at all reflecting a change in anticipated frontline FTEs working in Kurlana Tapa or other parts of youth justice.

The Hon. N.F. COOK: So it is not a frontline thing.

Mr TEAGUE: If that is about moving FTEs back and forth across the department, do we see any net reduction—this is reflecting; it might have been covered earlier in other aspects of the department—or are we seeing a net FTE reduction that is expressed particularly here at that part of the table?

Mr GREEN: Again, because of the overlaying of corporate overheads, yes, there is a reduction in FTE count that relates to those corporate overheads, which is mostly driving that reduction. In some senses, you could say, yes, there is a reduction in FTE. It is just not one that is occurring or aimed at or budgeted for within the service delivery context.

There is a small number of temporarily funded positions within the 2022-23 estimated result. Some of those will have their funding renewed and the budgeted FTE will go up again as those funding arrangements are confirmed, but, yes, very much not a function of a reduction of budgeted frontline staff within that program.

The Hon. N.F. COOK: Just to add to that, there is a small handful of FTE that is related to the national partnership with the Office for Women, the KIND program, a specific program, and also I think some of those temporary spots were funded as a COVID measure in order to provide additional supports in the vulnerable community there, screening for COVID and stuff like that. The KIND program is going to continue.

Mr TEAGUE: Just while we are interpreting the table, there is a footnote (a) that we will see is describing the penultimate column to the right, the 2022-23 budget figures. The note indicates that amounts may differ from the 2022-23 Agency Statements due to internal reforms and the realignment of corporate overheads across the agency. I do not know if that addresses part of what you are saying.

The Hon. N.F. COOK: Yes, I think that is what we were just trying to articulate.

Mr TEAGUE: You have addressed it to FTE, but it appears that the note applies to all of the amounts in 2022-23 that go back over the page to page 93. Is there anything to add to what you have already said about FTEs?

The Hon. N.F. COOK: All of the budget numbers it pertains to, yes, the footnote in that column.

Mr TEAGUE: It does?

The Hon. N.F. COOK: Yes, not just—

Mr TEAGUE: Is there anything you would like to add in terms of explanation of how that is affecting those other items in rows other than the FTEs?

The Hon. N.F. COOK: The net cost of services primarily related to the TVSPs taken across as well—employee expenses; is that correct?

Mr GREEN: In relation to the footnote and the way that the 2022-23 budget is presented in the Agency Statements, the footnote is addressing a case where either the net allocation of corporate overheads are shifted slightly or we have moved a function or a program around the Agency Statements program structure such that if you were to look at last year's budget papers you would not see the amount referenced in that column.

Mr TEAGUE: No. While we are on FTEs, and we are staying with page 94, I might just jump to the bottom of page 94. We see there, under the heading 'Activity indicators', a table of activity indicators, the last one of which is the one that I am focused on. Again, there is an answer of the minister to my question on 14 June in which the minister indicated a belief that numbers are on track to meet the Closing the Gap target. First of all, is the most convenient expression of those numbers that final line, so that they are all on the same page? The Closing the Gap target is—

The Hon. N.F. COOK: Yes; 30 per cent. It was a Closing the Gap target—

Mr TEAGUE: It was 30 per cent by 2031.

The Hon. N.F. COOK: That is right, and there is a deal of work occurring to wrap around that. Some of it is diversion work, some of it is the tighter work we are doing with SAACCON around the delivery of the targets. There is definitely work being done nationally, being led by the Attorney-General on our behalf, in regard to raising the age of criminal responsibility and what the national flavour is around that, which will change things as well. But yes; the target is, by 2031, a 30 per cent reduction—which was set in 2021, was it?

Mr TEAGUE: Just for completeness, part of the minister's answer to me on 14 June included:

I believe we are on track to meet the Closing the Gap target of reducing Aboriginal young people in custody by 30 per cent by 2031.

Against the relevant line item, can we just pause for a minute to look at where we have actually headed, as indicated on the budget paper? We see there on the right-hand side that the actual result 2021-22 was 139. Last year—and I am getting to this year, therefore—there was, if you like, an optimistic Closing the Gap-style projection to 130. That looked like a projection—139 down to 130. The estimated result we see for 2022-23 actually turns out to be 150, so the 2021-22 to 2022-23 trajectory, whilst projected marginally down, heads up.

The reason I dwell on that is because that projection model seems to happen again in 2023-24, because you move back then to the left-hand column and you see that we have an estimated result for 2022-23 of 150 and a projection, heroically, of 140. It is a projected increase over the projection from the previous year—so you can slice it and dice it in a number of different ways. In all events, is it not an unconvincing kind of projection against the history of the last year? Now, there might be other inputs—

The Hon. N.F. COOK: It is a rate we are targeting, not an actual number. We believe we are on track to exceed this target—I think it is number 11 in the Closing the Gap targets—with the number of Aboriginal and Torres Strait Islander young people aged 10 to 17 in detention decreasing in a trend we were able to show from 34.7 per 10,000 in 2010-11—and I get that this is a *Funk and Wagnalls* journey for us—to 16.5 per 10,000 in 2020-21. That reduction was 52.4 per cent—significant—and it took a lot of hard work. We all appreciate that, and I think we are all lock step on a unity ticket on the importance of that.

There has been a year-on-year decrease since 2016-17. The rate was highest at 40.6 per 10,000 during that period, and that is a reduction now of 59.4 per cent from 2016-17 to 2020-21. That is a really good achievement. You are pointing out the predictions in the future based on some numbers here, that is where you are highlighting—

Mr TEAGUE: That is what the budget is for.

The Hon. N.F. COOK: Correct, but we are still lock step in that journey that we feel given a number of measures, the model of practice, the child diversion program, a whole range of things that are going into place—and the bigger picture, which we hope is a unifying mission to close the gap—we believe we are on target still to meet that target. That is our best estimate, even given those numbers.

Mr TEAGUE: That must warm the hearts of people everywhere, but we do not find evidence for that in the budget, do we?

The Hon. N.F. COOK: No, we find evidence in the trends that are happening and the work that is being done.

Mr TEAGUE: Not to be too difficult about it, but the trends that are happening as expressed on the face of the budget are running entirely the opposite direction. The projections are similarly heroic one year to the next, but the actual results are bad and getting worse.

The Hon. N.F. COOK: I will invite Alex to articulate that, because she is the person who crunches these numbers along with Mel.

Ms REID: I think in part what the comparison between the trend rate decline consistent with the Closing the Gap target 11 and the absolute numbers that you are referring to of individual young Aboriginal people suggest is that the big movement in that trend rate occurred in those earlier years from those very big numbers progressively down. That has clearly stabilised now, having achieved the trend down in the kind of numbers that the minister just spoke of. That is not to say that those absolute numbers should not continue to come down.

There are a range of initiatives and programs right across DHS in fact, but specifically within the division that I am responsible for, that are deliberately intended to bring those absolute numbers of young Aboriginal people in youth justice down. That line refers specifically to an admission to a secure youth training centre. We are also doing work in the area of community youth justice to work through diversionary programs there as well.

The Hon. N.F. COOK: I would also just like to say that the prediction of us being on target is not my prediction. I can predict a lot of things based on science and what have you, but this is the Australian Productivity Commission Closing the Gap data. It is independent of us. They have no loyalty to us to demonstrate this or to give us a gee-up. Their data says that our position is improving and, as part of that, this is one of the Closing the Gap targets nationally that I believe they are confident in achieving.

Our position has been improving and we are working hard to make sure we keep that position improving. I will look forward to continuing that and I am happy to chat. I know you are going to have a visit out to Kurlana Tapa and hopefully you will be able to ask the staff about that—the second lowest jurisdiction, so we are doing very well.

Mr TEAGUE: In terms of then understanding what is or is not the minister's view, the minister must have expressed a belief based upon some sort of evidence. I am just therefore looking to unpack the source of the evidence. On one view, if you use this projection analysis, you have an actual result in 2021-22 of 139; the projection of 130 looks like it is on the way down, but the result turns out to be 150 and it is heading up. We have another projection that is going down, so 150 projected down to 140. On that basis, I think it is about a 6.7 per cent reduction projected and if you extrapolate that out you will get there by 2029—so you are well ahead of 2031—but I do not know the source of the belief and it is contrary to the evidence.

The Hon. N.F. COOK: I will undertake to go and have a look at what the numbers in 2019, 2020 and 2021 were. I hesitate to draw COVID into this, but that year the occupancy in Kurlana Tapa was affected and other jurisdictions in community justice, etc., were also affected by COVID and the capacity of young people, like the rest of us, to actually get out and do their business. I will have a look at the other two years and I will come back to you with that.

Mr TEAGUE: I would be pleased—including these rates per 10,000 that have been referred to. If there is a broader trend against which this is a sort of temporary uptick, then well and good. As

I say, there seems to be a danger in drawing anything from projections just based on what we have seen here and the results of the last two years.

The Hon. N.F. COOK: On the face of it, the numbers seem to not align with the commentary, but I will have a look at the numbers before this as well and then I will certainly have a chat with you about it, no problem. I can bring it back on notice.

Mr TEAGUE: The whole committee I hope might benefit equally. I am only here really serving the greater good. The situation that we are faced with in terms of FTE, and again I come back to what might be a useful reference point down the track, to the minister's answer on 14 June as well, the question of strategies that have been put in place to employ more staff and the challenges to which the minister adverted recently, there is the expression of having targeted recruitment of Aboriginal workers and doing an intake every six weeks as well with new staff. I am interested to know how that is tracking in terms of meeting those FTE objectives.

The Hon. N.F. COOK: Obviously, we are looking at youth justice as a whole within the organisation within the department because it does not just serve young people in Kurlana Tapa but it also serves to support and assist young people out in the community through a range of programs, which is very important when it comes to keeping young people from entering Kurlana Tapa or under community mandates.

In the past year, I think I would have told you the numbers at that point, but the current latest numbers are 51 youth workers and youth support workers have been recruited to Kurlana Tapa and that includes 34 new youth workers and youth support workers recruited this year. That includes six new recruits who started on Monday 1 May, seven who started on 29 May and then eight who started only this week. The numbers are escalating.

The turnaround date from selection to working with young people and being in training in the workplace is about three months. It is really critical that any of this long-term investment and change—because we are not just doing recruitment and the rolling recruitment and the support, the training and also the onsite work support that is being offered to retain staff; we are stabilising the workforce by examining how many temporary positions there are, and who we can provide some confidence to and some stability to in terms of permanency. There is this three plus one step in terms of really changing the staffing and the workforce in Kurlana Tapa where the highest intensity of young person is living.

At the same time, we are working on improving the mindset, the culture and the delivery of a youth justice program that is consistent across South Australia in terms of its mission, its objectives and the way it is being delivered. We are trying to bring together a committed and consistent response that will deliver long-term benefits and positive results for young people and contribute to that Closing the Gap target.

We know, member for Heysen, that the earlier young people are in the youth justice system, the more likely they are to become recidivists in terms of criminality and criminal behaviour but also victimology. We are working very hard to improve what we are offering for young people both in Kurlana Tapa and in the community, and part of that is around the changes we have done with recruitment, retention and stabilisation of staff. I am happy to take another question.

The CHAIR: One question, yes.

Mr TEAGUE: One more, and it is just to address a topic the minister might welcome in the short time available. We are on Volume 3, page 89. We have seen as a highlight the establishment of the Youth Minister's Advisory Council. I am interested to know: has it been established, and how many meetings have these councils had?

The Hon. N.F. COOK: Certainly, we have gone through the process of getting expressions of interest and selection. That has been driven and led by the department under the expert watch of executive director Katherine Hawkins and her team. We have a dozen young people who come from a variety of backgrounds. We have ensured there is diversity in that group.

They have met, I think, three times, or four times if you include a tour of parliament and a parliamentary induction, so to speak. We are now getting to a point with the young people where we

have encouraged a young person to put their hand up to chair. I think we are still at that selection point. We are encouraging them to chair their own committee. We obviously have started to engage them in the consultation around the youth plan, which will be delivered on this year.

Also, we have included them now in some discussion around some legislative processes that are happening, so they are going to start casting their expert lived-experience eyes over a range of legislation and other government policies so that we are getting those voices direct to us. I would be happy, of course, for the member to meet with the advisory council as well. Perhaps when we do another tour in parliament or something, we could get a big group together to meet and talk when they are confidently doing their work. They are doing a great job.

The CHAIR: With that response, the allotted time having expired, I declare the examination of the portfolio of Youth Services completed.

Departmental Advisers:

Ms R. Ambler, Acting Chief Executive, Department of Human Services.

Mr D. Green, Acting Chief Financial Officer, Finance and Business Services, Department of Human Services.

Ms K. Hawkins, Executive Director, Inclusion and Reform, Department of Human Services.

Mr G. Myers, Principal Project Officer, Office of the Chief Executive and Governance, Department of Human Services.

The CHAIR: The next portfolio is Volunteer Service. I advise that the proposed payments remain open for examination. I call on the minister to make a statement, if she so wishes, and introduce the advisers because there has been a little bit of a change.

The Hon. N.F. COOK: It is really just a small change. We have brought Executive Director Katherine Hawkins to the front here, and we say thank you to Executive Director Alex Reid and Director Mellanie Fernandez. They have all left. They have run away and are up in the bleachers. That is really all the change that has happened. I am not making an opening statement other than to say thank you to all the amazing volunteers.

The CHAIR: Straight to questions, member for Heysen, or do you want to make a statement?

Mr TEAGUE: I think so, Chair, and I perhaps might characterise this by reference to Budget Paper 5 at page 9. We are back into measures. I am here particularly interested in those screening systems, which, from the top of the page, are described—and this is somewhat interesting—as an initiative providing \$200 million over five years. Ordinarily, a five-year initiative might include a number from the previous year, whereas what we have here is a bracketed indication that \$50 million out of the \$200 million is to be found beyond the forward estimates for 2027-28, and we have a combination of operating expenses and investing payments for the 2023-24 budget and for estimates then going out totalling \$150 million.

It is a relatively big number, even if it is \$150 million—and we will take on board what might come over the end—and it is to do, clearly, a whole lot of things. Priority investments are there described below and not necessarily in order of importance. The item that is there at dot point 5 is described as upgrading the Human Services screening systems.

The Hon. N.F. COOK: Yes.

Mr TEAGUE: Of the \$150 million, let's call it, over the course of the forward estimates—

The Hon. N.F. COOK: Lots!

Mr TEAGUE: —it is lots of money—there appears to be funding allocated to Human Services screening systems. Do you know how much?

The Hon. N.F. COOK: The simple answer is no.

Mr TEAGUE: That might be now, over the forward estimates or beyond the horizon in five years—

The Hon. N.F. COOK: I think everything but a dollar. I will invite Ruth Ambler, who is acting in the CE role. I am sure she will give you some extraordinary insights into what we are seeking to achieve as part of that cross-government package led by Treasury. I would not like to guess as to how much the wonderful Treasurer is going to give us.

Mr TEAGUE: Maybe, while we are at it, if that is the way forward, can you give any indication as to why it is all bundled up in one? There might be some coherent reason why it is all described that way rather than as a discrete measure per agency.

Ms AMBLER: Honourable member, I probably could not speak to that. That is the way that the whole of government has wanted to structure this fund. We are very excited, though, that we are mentioned there, because we are certainly very conscious that we can do with a change to the way that we deal with customers in a much more customer-centric focus to our screening systems. At the moment we are on a reasonably old Salesforce platform, which is really built around an application process, so we do not have one single view of the customer.

We are at the moment engaged in settling a business case to put forward to this fund to identify how much money we will need over probably two years, is what we are thinking at the moment. We are going to get a customer relations management system as well as a data warehouse that will keep all the information in, and it will be a far better experience for the customer as well as much more efficient.

At the moment, in fact, we have a request for information out in the marketplace, and so we are getting some information back from potential providers of a database system. We are well on the way to understand how long it will take, the different elements that we need as part of the project and the architecture of the new system.

Mr TEAGUE: I will not ask you for a more particularised breakdown as to where you fit in year on year. I wonder whether you would be prepared to take perhaps two or three questions on notice, then, or to the extent that it is possible to answer. I might just spell them out as follows.

In terms of those, I think, five types that are undertaken by the screening unit—so there is working with children checks, NDIS worker checks, aged-care sector employment, vulnerable person related employment, general employment probity—can the minister, with the assistance of the department, provide a detailed breakdown of the number of applications and the time taken to process application for each type of check during each month over the past 24 months, including the total number of applications lodged, the median processing time, shortest process time, longest processing time?

What factors have been identified as impacting the length of time taken to process applications and, if you like, the punchline for that series of questions on notice is: how do you anticipate the digital upgrade is going to address issues to do with that response?

The Hon. N.F. COOK: I can take up time reading out the numbers, but I am very happy to give you a more fulsome response. Just to say that there is a variability, obviously, in terms of timing, so there will be a range and an average in terms of how long things take because, as you know, there are some challenges when it comes to particular persons and their screening. I can tell you that in terms of our types, to give you a bit of a picture—and also remember that within that time there was a change to three-year versus five-year eligibility of screening—we will see the numbers of screening come down gradually regarding that.

In this 12-month period we had 26,356 up until 6 June for volunteers working with children, and then the other accumulative—NDIS worker check, vulnerable persons, aged care, general employment—under there was about 14,000 worth. Total volunteer screenings, 40,615, and total number of screenings, which is a product of volunteers and workers, 168,000 or thereabouts. Within a calendar month, which is the KPI, 99 per cent, so that is 166,500 screenings done within a calendar month of the receipt. Some get them back the next day. It just does depend, does it not? We can give you a report—are you happy for that?

Mr TEAGUE: Yes.

The Hon. N.F. COOK: Have we addressed that part?

Mr TEAGUE: Yes.

The Hon. N.F. COOK: Did you have another question to add to notice on that, or are you okay?

Mr TEAGUE: Happy to, in case this can be answered. I guess the reason for bundling those up and then asking how the digital upgrade might be addressing issues is that—

The Hon. N.F. COOK: I think there are a couple of lines you might be able to offer in regard to that.

Ms AMBLER: I think I would be casting around to give you a clear answer on what we think the time frames would reduce to, because we are still to identify the architecture and undertake the work. But we are very confident it will reduce time frames. As part of our time frames we send off information to ACIC (Australian Criminal Intelligence Commission), and those time frames are out of our control. There will be a point at which we cannot reduce it because we still have to deal with that, but we are very confident that our up-front systems will be far more automated and a lot of that will happen without the intervention of a person, so we will be able to reduce those time frames, but I could not put a number on it as yet.

The Hon. N.F. COOK: It would be much more efficient though, I am sure.

Ms AMBLER: Absolutely it will be much more efficient.

Mr TEAGUE: I am inspired by the degree to which this is anticipated to drive such improvement. To the extent that there is a possibility to benchmark where things are now—great. Getting pack to the overall picture, this is presented as \$200 million over the next five years, and DHS gets a dot point.

Ms AMBLER: I only deal with that for the screening system, but I am quite confident it will not be.

The Hon. N.F. COOK: You get one staff member for each screening to do a unique screening job for one person.

Mr TEAGUE: Let's be clear about it: it has to improve functions over government, including a place for the justice sector ICT systems, the parliamentary election system, emergency services—all sorts of things. You have seen enough to be confident already that this is the bee's knees, that this will be good.

The Hon. N.F. COOK: It is important work, and I think that is being acknowledged with the breadth of what we are looking at doing.

Mr TEAGUE: Time marches on. I might just ask, if I may, on the same budget line—so we are still in the measures and the \$200 million—in terms of NDIS worker checks in particular, and noting, I think, what is acknowledged to be a worker shortage across the board in the disability sector, has there been any consideration about the options that can be applied to speed up the process of checks in that regard immediately, or is the answer going to be this ICT improvement?

The Hon. N.F. COOK: That will be the future answer. The current answer is that every measure has to be taken to ensure that the right people are working in the roles and every safeguarding opportunity is used. As you would be aware, some of it is outside of our control in terms of that national piece in terms of the screening.

There have been changes in the workforce. We occasionally flex our unit to bring additional people in if there is a demand. We have had periods of increased demand and we have had additional workforce brought in to help deal with that. For most of the year it is quite steady, but we know that at the beginning of the year there is a surge of applications and we are looking at ways to address how to manage that—how to flex up and down.

Mr TEAGUE: One particular practical matter, as I understand it, is a need to match an applicant to an employer so that you have a link from the employer and the NDIS worker-check application. In practical measures, you are including the possibility to link the employer subsequent to the application being considered?

The Hon. N.F. COOK: Yes. We feel a new IT system will do that and provide capacity to be able to improve that. We know that there were regs put in place before we came into government that talked about working on application; for example, the psychometric testing was waived in youth justice workers. But those regs have since been revoked because of risk and concerns. It was done through COVID to try to expedite things.

Occasionally, there are changes and alterations to the process that are put in place in order to be able to do that. You commence without a screen as long as you are under supervision. Occasionally, in response to workforce shortages, we are able to do things like that, but as a long-term measure that is probably not something we would prefer to do. We would prefer to get the back end right, and I think that this process will do that.

Mr TEAGUE: I might go to Agency Statement, Volume 3, page 89 and highlights for 2022-23 and the corollary targets for 2023-24. The second point highlights the completion of a grant program for men's and women's sheds across South Australia. The first question, minister, is: how many grant applications were submitted for men's and women's sheds as part of that grant program?

The Hon. N.F. COOK: We can get you an answer to that, but I do not think I have that in front of me. Just play some hold music. It is not actually our volunteers. We will just open it now and have a quick look at it for you. I am not sure whether we have the numbers of grants. Here we go: 87 is the magical number. The English cricketers would be very scared about that, would they not?

Mr TEAGUE: They do not like all numbers the same.

The Hon. N.F. COOK: I thought it was 13 off of a hundred.

Mr TEAGUE: Yes, 111 they are not too keen on.

The Hon. N.F. COOK: Yes, it was 87.

Mr TEAGUE: How many of those were approved?

The Hon. N.F. COOK: Forty-two.

Mr TEAGUE: So presumably deductive works out how many were not successful.

The Hon. N.F. COOK: Forty-five.

Mr TEAGUE: Do we know how many there are across South Australia?

The Hon. N.F. COOK: It is my time to shine. How many what over South Australia, sorry?

Mr TEAGUE: Do we know how many men's and women's sheds there are across the state?

The Hon. N.F. COOK: We probably do. No, I do not think I have it. This will be a significant increase. I am sure we could Google it.

Mr TEAGUE: So among those applicants there might have been a number that were applying for funds to establish, as it were?

The Hon. N.F. COOK: Yes, absolutely. Of course, we did establish a few community sheds as part of election commitments, but it was to enhance the services as well. I have visited a number of these sheds, and I have become quite the fan.

Mr TEAGUE: And the total amount of grant funding that was provided?

The Hon. N.F. COOK: Just over \$600,000 in this particular round.

Mr TEAGUE: Does it continue?

The Hon. N.F. COOK: These are part of the Grants SA programs where we have worked really hard with community sectors and communities to identify targeted areas of need. We did the

shed round. We have done a round that has just been announced around capacity building and governance. We are working with the community to identify how to best tailor Grants SA.

There was a significant underspend in Grants SA the year before last, I think, and that was around processing, but we have caught up. You may have heard, member for Heysen, in one of the communities section of the committee we talked about the last round, which I have just announced, which was \$1.97 million worth of grants, which was given to 64 grassroots organisations—super.

Mr TEAGUE: Is that particular program going to continue next year?

The Hon. N.F. COOK: Grants SA is always continuing. That is legislated out of the gaming machines revenue, so there is about \$4.6 million estimated for next year, or thereabouts. That is the whole fund. We do a variety of small and medium grant rounds. This last grant round was up to \$50,000. Sometimes there is up to \$10,000 and there will be a lot more recipients. I am not sure if any of your constituents were successful in this last grants round but you would have received some advice from us if, indeed, they were.

Mr TEAGUE: I turn to page 89 and the final dot point on that page; it is in Volume 3 still.

The Hon. N.F. COOK: I am happy to answer a question regarding it but, again, this was in the other section, but I am happy to answer because it is very important. This is about community centre funding.

Mr TEAGUE: Yes. I do not mean to—

The Hon. N.F. COOK: That is not about volunteers, although they cannot function without them, so I am happy for you to stretch it.

Mr TEAGUE: If it has been asked and answered, I will take your word for it.

The Hon. N.F. COOK: No, it has not been asked and answered.

The CHAIR: It is absolutely okay with the Chair. The Chair is very interested in hearing the answer again.

The Hon. N.F. COOK: Member for Heysen, it has not been asked and answered, but the actual area for interrogation was in the other section, but please go ahead.

Mr TEAGUE: My attention is on that final dot point. The implementation of that program is said to be increasing funding for community centres, as well as redistributing around the state according to need. So the question is: how much is being allocated to implement that program?

The Hon. N.F. COOK: This program, this year and for the next eight years—it is a nine-year program—is receiving an extra \$2.4 million per annum to operate and that is a substantial increase on what was being put forward. When I came in and got the briefings and started to work with our team, I was pretty concerned about the cut to community and neighbourhood funding that was baked into the future commissioning, and we have done a piece of work where we extended the contracts in the interim and redesigned the program.

This year, it will be \$6.166 million to fund, which is about 40 per cent more than it was in 2021-22. So it is quite a substantial increase. I think rather than go on and on about it, what it does is it recognises that life can be very lonely for some people, life can be tough, and when times are tough for the community in general, it is inordinately tough for people who are by themselves, at a disadvantage, or facing other challenges, so we increased the funding, and it is \$2.4 million extra, \$6.166 million this year.

There are more centres. Not all areas that we anticipate or put up for contract have yet been allocated a provider, so we are now working across areas. If I were just to pick out one area, which I know the Chair will be absolutely delighted with, that is Port Augusta, which previously had no community centres actively funded at all, and they have an allocation for two. So we are now working with the community in Port Augusta to allocate the funding to two community centres—really needed.

The CHAIR: Whyalla was very pleased to get extra funding as well.

The Hon. N.F. COOK: Very good.

Mr TEAGUE: In light of the minister's answer about need, do we have a clear view on the time frame and the key dates to get that funding applied to those centres?

The Hon. N.F. COOK: Yes, correct. The program starts this weekend. Not all contracts have been signed and secured at this stage. We are working with community centres and neighbourhood centres to now ensure that there is a smooth transition for people from one funding model to the other, so we are working on a case-by-case basis to get this rolled out in the next few months.

Mr TEAGUE: Do we know how many community centres are going to benefit? I think you may have indicated there were some that might be yet to apply.

The Hon. N.F. COOK: So 39 have been selected from 55 community centres, but there are the first time ones that we talked about, and some of them still have to be worked through including the Murray River region, some in western Adelaide, which is an area of need and diversity. The total number is 55 and still to be finalised. So some were quite clear, some not so much.

Mr TEAGUE: And some might miss out?

The Hon. N.F. COOK: It is fair to say that some might and some have. That is a product of the commissioning process and a tender process. Competitive grants, competitive tenders often yield the best. Sometimes those that you would hope would get it do not, so it is a balance.

Mr TEAGUE: Do we know how many might be missing out?

The Hon. N.F. COOK: No, I could not be sure how many tendered and were not successful, and some have gone into consortia to do that. Some areas previously had quite high levels. You have not asked me, but I can drift into community passenger transport as well. That is another area that we have recommissioned.

There was a very teeny amount of people in receipt of a big bucket of money to provide a service, and then there were areas that had none—again, Upper Spencer Gulf area. We are trying to move the services to where people are needing it the most, and some of that means some of the people who are connected in other ways in inner suburban communities will not be funded.

Mr TEAGUE: On that, I am interested to know how much would be allocated, for example, to the Walkerville council YMCA site for their proposed upgrade.

The Hon. N.F. COOK: That is not under me. Sorry, that is not part of my bucket, thankfully.

Mr TEAGUE: Not part of the program?

The Hon. N.F. COOK: No.

The CHAIR: That is the last question. I would like to thank the minister and the member for Heysen for the civil and decent way deliberations were conducted, and once again thank all the public servants involved in preparing for today and attending today. I know how much work goes into this, so it is deeply appreciated. With those few words, the allotted time having expired, I declare the examination of the portfolio of Volunteer Service completed. The examination of the proposed payments for the Department of Human Services and the Administered Items for the Department of Human Services is adjourned until tomorrow.

At 18:16 the committee adjourned to Friday 30 June 2023 at 09:30.