

**HOUSE OF ASSEMBLY**  
**Wednesday, 26 June 2024**  
**ESTIMATES COMMITTEE B**

**Chair:**

Mr E.J. Hughes

**Members:**

Hon. V.A. Tarzia  
Ms C.C. O'Hanlon  
Mrs R.K. Pearce  
Mr S.J. Telfer  
Ms E.L. Thompson  
Mr T.J. Whetstone

*The committee met at 09:00*

*Estimates Vote*

**DEPARTMENT FOR TRADE AND INVESTMENT, \$125,192,000**  
**ADMINISTERED ITEMS FOR THE DEPARTMENT FOR TRADE AND INVESTMENT, \$1,799,000**

**Minister:**

Hon. J.K. Szakacs, Minister for Trade and Investment, Minister for Local Government, Minister for Veterans Affairs.

**Departmental Advisers:**

Mr D. Reynolds, Chief Executive, Department for Trade and Investment.  
Ms T. Blight, Chief Operating Officer, Department for Trade and Investment.  
Mr C. Wood, Executive Director, Invest SA, Department for Trade and Investment.  
Mr T. White, Director, Trade, Department for Trade and Investment.  
Mr T. Pearce, Finance Manager, Department for Trade and Investment.

**The CHAIR:** Welcome to today's hearing for Estimates Committee B. I respectfully acknowledge Aboriginal and Torres Strait Islander peoples as the traditional owners of this country throughout Australia and their connection to land and community. We pay our respects to them and their cultures and to 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 lead speaker for the opposition confirm that the timetable for today's proceedings, previously distributed, is accurate?

**The Hon. J.K. SZAKACS:** Yes.

**Mr WHETSTONE:** Yes.

**The CHAIR:** Changes to committee membership will be notified as they occur. Members should ensure the Chair is provided with a completed request to be discharged form. If the minister undertakes to supply information at a later date, it must be submitted to the Clerk Assistant via the Answers to Questions mailbox no later than Friday 6 September 2024.

I propose to allow both the minister and the lead speaker for the opposition to make opening statements of about 10 minutes if they so 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 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 committee. Consistent with the rules of the house, photography by members from the chamber floor is not permitted while the committee is sitting.

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

The committee's examinations will be broadcast in the same manner as the sittings of the house, through the IPTV system within Parliament House and online via the parliament's website.

I now proceed to open the following lines for examination: portfolio, the Department for Trade and Investment; minister appearing is the Minister for Trade and Investment. I declare the proposed payments open for examination. I call on the minister to make an opening statement, if he so desires, and then the opposition, if he so desires.

**The Hon. J.K. SZAKACS:** Thank you, sir. I congratulate you on the resounding support that you have received from this committee to assume the Chair. Can I acknowledge and introduce the advisers that I am accompanied by today: Mr David Reynolds, Chief Executive, Department for Trade and Investment; Mr Chris Wood, Executive Director, Invest SA, from the department; Tim White, Director of Trade from the department; Tricia Blight, Chief Operating Officer from the department; and Trevor Pearce, Finance Manager from the department.

I am proud to sit here with terrific advocates for South Australia. If I may, I also in beginning acknowledge the strong, largely bipartisan and nonpartisan support that this government receives from the opposition, and the opposition has received in its former iteration in government. Trade and investment is one of those matters of public endeavour which does largely command a nonpartisan approach, and I acknowledge that from the outset today.

The department facilitates South Australia's strong, effective and sustainable growth by identifying and promoting our state's competitive advantages; driving local, national and international investment; and increasing, diversifying and facilitating the export of goods and services.

Invest SA was established in July 2022 as part of the South Australian government's election commitment to amplify the government's attraction of international and national investment into South Australia. Invest SA has delivered strong investment outcomes for our state. In its first financial year since being established, Invest SA supported the attraction of over \$1 billion of investment into South Australia across key sectors of economic growth. In the 2023-24 financial year, it is my pleasure to be able to inform you and this committee that Invest SA has secured 41 projects, with a total value of more than \$1.005 billion.

Strategic investment is critical to protect and grow jobs and create a more resilient and complex economic base. Invest SA is working closely with its stakeholders, including existing businesses, our overseas offices and other government agencies, to develop and deliver an effective whole-of-government investment attraction approach. It also leverages Australian government

funding programs to attract strategic investment, stand up new future-focused industries and drive step change in existing industries.

My department also provides significant support to South Australian companies looking to expand their international footprint. The department works closely with companies that can make an impact, locally and internationally, on the state's economic outlook. This includes directly assisting companies to expand their international market presence or to diversify into new markets.

The department's trade strategy in international representation offers valuable in-market on-the-ground insights for South Australian exporters to do business and to expand their international footprint. DTI targets relating to trade include facilitating \$50 million in trade outcomes for South Australian businesses and providing export support services to 400 South Australian businesses. I am pleased to inform that DTI has exceeded these annual targets for the financial year 2023-24.

DTI provided almost 2,000 separate export services to 462 unique South Australian businesses in this last financial year. These services that DTI facilitated resulted in South Australian businesses recording export outcomes amounting to \$78.1 million. DTI has achieved 96.7 per cent client satisfaction on DTI trade and investment support activity.

As a long-term partner of the Australian government's TradeStart program, DTI has export advisers located across metropolitan Adelaide and regional South Australia. They deliver export mentoring, advice and support services to export-ready companies. These advisers have connections through South Australia's overseas officers and Austrade's global network.

Since coming to government in 2022, Brand SA has undertaken a series of activities aimed at raising awareness of South Australian products and produce and supporting local business. In August of 2023, Brand SA launched the Buy SA. For SA. campaign, aimed at converting local consumers to purchase local products and produce. Through Buy SA. For SA. Brand SA asks businesses to use the state logo and consumers to look for it while shopping to contribute towards jobs and the South Australian economy.

Supporting local business promotes economic growth. It creates jobs and provides businesses with the foundations for growth beyond local markets. Brand SA is actively encouraging more South Australian businesses to register to use the state brand, with a goal to reach 10,000 total registrations by the end of this month.

A new campaign, 'Make it your business', is running on digital channels, targeting business decision-makers to reinforce that the logo is available across all sectors and, most importantly, is free to use. Since re-establishment, Brand SA has built digital channels and acquired a digital audience of over 60,000 South Australians.

As part of our activities a key part of the government's trade strategy is presenting opportunities for South Australian companies to participate in overseas missions. Business missions aim to build capacity within local companies and expand our trade options in very important international markets. South Australia's overseas office network is a critical link to drive the state's international agenda, create jobs and grow its economy by establishing effective connections, leads, business matches and outcomes relevant to their market.

Our Washington office was established in January 2024 to pursue opportunities in defence and AUKUS, advanced manufacturing, energy, and health and medical, and the South Australian trade and investment office in Germany is now fully operating and targeting opportunities in green hydrogen and renewables, including storage systems, as well as in the defence, advanced manufacturing and health and high-tech sectors.

Due to the growing importance of India to Australia and the commercial opportunities expected to flow from the Australia-India Economic Cooperation and Trade Agreement, our footprint in India has been expanded with the establishment of two new locations in Chennai and Mumbai. Finally, this financial year DTI has successfully delivered business missions to Germany, Korea, New Zealand, Singapore, China, Dubai, India, Japan, Hong Kong, Vietnam and the United States across key priority sectors including food and wine, creative industries, energy, mining and critical technologies.

As we enter a new financial year it is this government's intention to deliver upon the commitments we have made to ensure the best outcomes for the people of South Australia. As I mentioned earlier, DTI has facilitated in two years over \$2 billion of investment into South Australia in our priority sectors, and trade international teams are delivering on their targets, expanding South Australia's overseas network and travelling to key markets of relevance.

I very much look forward to supporting the growth of South Australia's economy through our continued trade activity and the active pursuit of investment from interstate and overseas, leading to more jobs and a more prosperous South Australia for all.

**Mr WHETSTONE:** Just a short introduction. I do want to re-emphasise the minister's comments about the trade and investment portfolio as a key economic driver to South Australia's economy, as well as the importance that I think has been demonstrated previously, with the bipartisanship and the continuity, that a government's role plays within the trade space. It is a key economic portfolio that I think has been under emphasised for many, many a day.

I would like to think that the government will continue to put more and more effort into initiatives generating interest in our state, but also generating a growing economy. I wish the minister well; it is a new portfolio for him, and an exciting portfolio that really does have a considerable amount of opportunity for the South Australian economy.

Moving on, I refer to Budget Paper 3, page 23. Minister, are you able to explain why the department has overspent its 2023-24 operating budget by \$18 million?

**The Hon. J.K. SZAKACS:** I thank the member for his question. I can advise that the main changes to income, as reported in the Statement of Comprehensive Income, can be best described by the following. I will preface this by saying there may be a series of questions from the member that relate to the department at large; of course, I am responsible for the trade and investment program, and I understand that Minister Champion, who will be in estimates later today, may be able to inform members of some additional information with respect to his programs. However, I will endeavour to provide at large answers to sufficiently cover the member's questions this morning.

The \$10.8 million increase in income from the 2023-24 budget of \$177 million to the 2023-24 estimated result of \$188 million is mainly due to the increase of \$5.735 million related to the Real Property Act 1886 and increased payments to Land Services SA due to increased volume; \$1.939 million mainly related to intragovernmental transfers for legislative and code amendments, reforms and the Housing, Infrastructure, Planning, and Development Unit sales; grants of \$0.399 million related to the TradeStart contract extension; and \$1.393 million related to the planning fee amendments.

In terms of the \$18.658 million, about which the member specifically asks, the budget increase in expenses from the 2023-24 budget to the 2023-24 estimated results mainly relate to \$9.7 million general supplies and services and \$5.735 million related to the Real Property Act 1886 increased payments to Land Services SA due to the increased volume, and net carryovers of \$2.562 million, \$2.884 million, salaries relating to planning fee amendments of \$1.239 million, and the TradeStart contract extension of \$0.637 million.

I can add additionally, for a more fulsome response, that the \$9.28 million decrease in expenses from the 2023-24 estimated result into the 2024-25 budget mainly relates to the Real Property Act, carryovers and planning fee amendments budget adjustments that occurred in the 2023-24 estimated result.

**Mr WHETSTONE:** So the majority of the \$18 million I have asked about, you said it was attributed to general supplies. Can you expand on what general supplies is?

**The Hon. J.K. SZAKACS:** I am advised that the majority of that is related to planning-related portfolio matters, so I think that my endeavour to best answer the question will be served by taking that on notice and seeking that advice through the appropriate minister.

**Mr WHETSTONE:** Is the Trade and Investment budget being offset into planning? Am I reading into that? You have talked about some of these operating budget numbers. You have mentioned coming out of Trade and Investment, but you are talking about an offset into planning.

You have mentioned code amendments, I think. Can you expand on the money that is being either transferred or offset into planning?

**The Hon. J.K. SZAKACS:** I can advise there is no transfer and there is no offset.

**Mr WHETSTONE:** The 2022-23 budget estimates \$174 million in operating expenses for 2023-24 but this year's budget allocates \$193 million. Can you further explain what that \$19 million increase is?

**The Hon. J.K. SZAKACS:** Again, I can advise that the member's question may be better directed to Minister Champion with respect to detail because the driving factors relating to the question from the member are planning related. But insofar as the Department for Trade and Investment program activities are impacting, it is the impact of the additional budget measures that were announced in the budget with respect to those trade and investment programs—and Brand SA.

**Mr WHETSTONE:** In regard to your ministerial office, the cost of provision, there was an increase of one FTE and there is a budget increase of \$241,000. I guess you can explain what the \$241,000 is but that extra one FTE, what role is that? What role do they play?

**The Hon. J.K. SZAKACS:** I can take that on notice, but I would anticipate that that would be an additional FTE with respect to the additional portfolios for which I am now responsible.

**Mr WHETSTONE:** The FTE difference between the 2022-23 actual and the 2023-24 estimated result increased by 75.7 FTEs. That is 26.3 more FTEs than was budgeted for. Can you give me an understanding of that?

**The CHAIR:** What page?

**Mr WHETSTONE:** We are on workforce summary. I would imagine that is Budget Paper 4, Volume 4, page 114.

**The Hon. J.K. SZAKACS:** Sorry, sir, would you mind repeating the question?

**Mr WHETSTONE:** The FTE difference between the 2022-23 actual and the 2023-24 estimated result was an increase of 75.7 FTEs. That is 26.3 more FTEs than was budgeted for. Can you give me a reason for that increase?

**The Hon. J.K. SZAKACS:** I am happy to continue to endeavour to get the best information for the member, but the figures that the member just quoted do not add up on page 114. I think the member mentioned an increase of 75.

**Mr WHETSTONE:** It might be at page 111. I beg your pardon; it is page 111, the workforce summary.

**The Hon. J.K. SZAKACS:** Again, that is the workforce summary for programs responsible to both me, as the Minister for Trade and Investment, and also to Minister Champion in his broad portfolios. To best give the member an answer across the entire department, which relates to portfolios not administered by me, I will take that on notice and seek to confer with Minister Champion to get the best information, because there is FTE that he is responsible for as minister that I simply cannot advise.

**Mr WHETSTONE:** Minister, are you referring me to Minister Champion through his current role, or as the former minister—

**The Hon. J.K. SZAKACS:** No, I am taking it on notice for you.

**Mr WHETSTONE:** Thank you. While you are there, could you give me an understanding of what the roles of these additional 26.3 FTEs are?

**The Hon. J.K. SZAKACS:** If I can just clarify: the member mentioned 26 FTE on page 111.

**Mr WHETSTONE:** It is 26.3. The difference will be between the 2022-23 actual and the 2023-24 estimated result, where there is an increase of 75.

**The Hon. J.K. SZAKACS:** Sure, but if I can just clarify: the member specifically sought my endeavour to take on notice a question regarding 26 FTEs. If I could just clarify specifically—

**Mr WHETSTONE:** There are 26.3 more FTEs than were budgeted for.

**The Hon. J.K. SZAKACS:** Sure.

**Mr WHETSTONE:** The 2023-24 budget estimates—

**The Hon. J.K. SZAKACS:** No, sorry. Again, not according to page 111.

**Mr TELFER:** Ask about the increase. Do not set a number—just whatever the increase is.

**Mr WHETSTONE:** There is an increase of FTEs.

**The Hon. J.K. SZAKACS:** This is workforce summary, page 111?

**Mr WHETSTONE:** Yes, across the workforce summary, the 2022-23 actual as opposed to the 2023-24 estimated result. Can you give me an understanding of what roles the extra FTEs play?

**The Hon. J.K. SZAKACS:** Yes, I can. I am happy to take that on notice.

**Mr WHETSTONE:** Thank you. Regarding the budget estimate of 380 FTEs, which should have been a reduction of 10 over the past 12 months—the former minister has even said that the workforce was expected to be at 380 by the end of 2023—what has caused such a drastically different outcome for the 2023-24 budget of 380 FTEs and the 2023-24 estimate of 409? What is the difference, or why is there a difference between the estimate and the budget?

**The Hon. J.K. SZAKACS:** Whilst I am happy to provide some additional detail on notice for that, I am advised that the 2022-23 result was impacted by a number of vacancies, which have been filled subsequent to the 2022-23 financial year.

**Mr WHETSTONE:** Minister, obviously the vacancies come and go. Is there a priority for vacancies, once they are created, to be filled? Do you have a priority in your department for what vacancies are to be filled first?

**The Hon. J.K. SZAKACS:** I am advised by Mr Reynolds that all of them are of a high-order priority, so there is a keen interest and priority from the department to fill vacancies as soon as they become available.

**Mr WHETSTONE:** Moving to the program net cost of service summary, trade and investment net costs: the 2023-24 budget for trade and investment net cost was \$46.904 million compared with \$53.009 million in this year's estimated result. Why has the net cost of trade and investment blown out by \$6.1 million?

**The Hon. J.K. SZAKACS:** I am advised that is due to carryovers with respect to major funding and commercial arrangements. I can endeavour to provide some additional information for the member with respect to those specific projects; however, I will take advice with respect to some of the commerciality or commercial-in-confidence arrangements around them. But I can advise specifically and explicitly that the \$6.628 million is with respect to carryovers with respect to specific projects and funding arrangements.

**Mr WHETSTONE:** Minister, what measures will you put in place to meet the estimated \$46.904 million budget to make these savings? What measures will you put in place to meet the \$46.904 estimate?

**The Hon. J.K. SZAKACS:** If I can refer to my previous answer: explicitly, there are no savings measures in relation to the change in budget. It is a carryover that impacts the accounting for 2023-24, so there are no additional measures of which I or the department are undertaking to endeavour, as the member puts it so explicitly, that the additional expenditure across 2023-24 and then the reduction into 2024-25 are in relation to carryovers.

**Mr WHETSTONE:** I refer you to Budget Paper 4, Volume 4, page 112, Investing expenditure summary. The department's 2023-24 investment program was \$1.4 million. This year, it is \$4 million. Can you give me an understanding of what the \$2.6 million increase is for?

**The Hon. J.K. SZAKACS:** I am advised that they are relating to capital works in the planning side of the administered items. Again, I am happy to either take that on notice or invite the member to refer that question to the minister this afternoon.

**Mr WHETSTONE:** Just so I have a better understanding, with the planning program there is an increase of \$2.6 million directed to planning of the investment program?

**The Hon. J.K. SZAKACS:** That is largely correct. Thank you to my advisers for providing this information to me now so I can inform the member, with respect to his question, that annual programs total \$0.447 million for 2023-24, \$1.9 million in 2024-25 and \$1.477 million in 2025-26. Across the out years, the \$3.277 million that the member referred to in his previous question can be broken down into \$1.9 million relating to the expert panel recommendations e-planning systems upgrades and enhancements for PLUS; \$1.1 million for the e-planning system upgrades and enhancements at PLUS; \$0.2 million for the SAILIS system upgrades and enhancements, also at PLUS; and \$0.1 million for survey equipment purchases.

**Mr WHETSTONE:** I refer you to Budget Paper 4, Volume 4, page 112, New Projects. The department's only new project this year is a \$1.4 million office fit-out. Can you give me an understanding of what the office fit-out is?

**The Hon. J.K. SZAKACS:** I can definitively say it is not my office. I will take some advice on that.

**Mr WHETSTONE:** Could I help you with that? Potentially, Frankfurt? Potentially, Washington?

**The Hon. J.K. SZAKACS:** No. It is a design office for the Government Architect.

**Mr WHETSTONE:** Besides the office fit-out, why have there been no new projects over the last two years? Are any new projects being planned currently?

**The Hon. J.K. SZAKACS:** We are not a capital business, with respect to the member's question. These are capital projects. We are not a capital-intensive operation at the Department for Trade and Investment.

**Mr WHETSTONE:** Are you able to give me a breakdown of minor capital works and how much of the \$3.2 million is attributable to each under minor capital works?

**The Hon. J.K. SZAKACS:** Yes, I can do that—I can take it on notice and provide a breakdown for the member.

**Mr WHETSTONE:** I refer to Budget Paper 4, Volume 4, page 112, Annual programs. What annual programs is the department continuing this year and can you provide a breakdown of the funding for each program, either ceased, reduced or received more funding?

**The Hon. J.K. SZAKACS:** I can advise that annual programs can be broken down into \$447,000 for 2023-24, \$1.924 million for 2024-25 and \$1.477 million for 2025-26. I advise that they are largely around IT, office furniture and so on, but reiterate that capital works and capital programs are not even a minor part of our operation, these are very much administrative-based annual programs with respect to capital.

**Mr WHETSTONE:** Can you give me an understanding of what was done about the plant protein program? That was in the 2022-23 budget target.

**The Hon. J.K. SZAKACS:** I can. The Department for Trade and Investment consolidated three well-regarded international and Australian food companies within the global protein industry, which led to the announcement on 1 March 2022 of a successful application for an Australian government Modern Manufacturing Initiative collaboration stream, granted \$113.5 million. This consortium comprising AGT Food and Ingredients (a Canadian-based global leader in value-added processing of pulses), Australian Plant Proteins (the owners of Australia's only commercial pulse protein isolate extraction facility) and Thomas Foods International (Australia's largest, family-owned meat processor) proposed this \$380 million project to establish the protein ingredient and food manufacturing hub in South Australia.

The project was proposed to be funded by a successive contribution of \$113.5 million from the Australian government Modern Manufacturing Initiative, \$65 million from the South Australian government and \$200 million from industry. The South Australian grant was contingent on the consortium securing the Australian government Modern Manufacturing Initiative collaboration stream

grant. The Australian government has since confirmed that it withdrew its previous commitment to provide a Modern Manufacturing Initiative grant to the consortium for this project.

The \$65 million state contribution is planned and is being used for other economic development initiatives of the South Australian government. Plant-based protein remains an undertaking, with recognition of the growing global demand for high-quality plant proteins, local employment opportunities and the export potential the sector could deliver. My department continues to pursue opportunities for development of the plant protein sector in South Australia.

In this vein, a \$500,000 grant has been provided to the Australian grain export subsidy Integra Foods to deliver a plant protein export market development project. This grant will support research, new product development and market development activities for the export of faba beans plant protein from Integra's Dublin facility.

**Mr WHETSTONE:** Where has the remainder of funding allocated to that plant protein initiative been diverted? You have put some money on the table for a continuation but there is a lot more money that was—

**The Hon. J.K. SZAKACS:** I can advise, from an accounting perspective, that \$65 million was never on the balance sheet of my department. That was always held in contingency or in the Economic Recovery Fund administered by the Treasurer through DTF.

**Mr WHETSTONE:** Do you have plans to recoup any of that money for ongoing projects? Obviously, that money was a commitment and it was not put in a budget line, but as a minister do you and your department have any aspirations to justify that money coming back to a program within your department?

**The Hon. J.K. SZAKACS:** It is a good question. I think that the way the member prefaced the question with 'recouping' is not an accurate way to put it, or an appropriate way to put it from an accounting perspective. The funding was a Treasury and Finance and now an ERF matter. But absolutely, to go to the substance of the member's question, plant protein-based activity is still a firm priority of the government, particularly the Department for Trade and Investment. Since becoming minister, I have had a number of conversations and briefings that I have sought, and have received from my department, with respect to their pursuit of activity in this regard.

I note that Invest SA is undertaking, as it has across a broad-based portfolio, very good work—excellent work, in fact—in working with both international and domestic capital with respect to plant protein-based economic development. It is, and remains, a key priority to develop. Whilst this project was not able to be successful based upon the fact that there was a co-contribution necessary from the federal government and, unfortunately, notwithstanding the previous endeavours from the previous minister, the federal government was unwilling to continue in that stream. The priority for this government in South Australia and my department remains strong with respect to plant-based protein.

**Mr WHETSTONE:** Is the wine expansion and diversification program continuing?

**The Hon. J.K. SZAKACS:** It is, and I can provide some additional information for the member. It absolutely continues, and remains a very strong focus of this government, particularly with respect to the now recovering export market into China. The program is important. It delivers market diversification to ensure the continuing commercial success for existing brands, and expand exporter access to new markets. It creates positive sentiment for South Australian wine in these key markets across the world.

The member, I know, is well aware—he is a strong advocate for the outstanding wine that is produced in his region in the Riverland—that over \$300 million in South Australian wine exports annually was redirected to diversified markets during the 3½ years when China imposed tariffs on our wine. The program to date has directly supported \$18.2 million in export outcomes. These are supported into diversified markets.

I can provide some additional information to the member in support of this question regarding the continuing of the diversification program. In the year to April 2024, wine exports to Hong Kong were up 60 per cent to \$258 million and to the United Kingdom they were up 4.5 per cent to \$241



million. They are our two largest markets and they are supported significantly by \$144 million of exports into the US, 109 into Canada and 89 into Singapore.

Since July of 2021, the continuing Wine Export Diversification Program has delivered over 86 initiatives involving 1,650 brands from 16 South Australian wine regions. It supports initiatives like the South Australian Wine Ambassadors Club, which has recruited 42 leading wine importers in Japan, South Korea, India, Vietnam, Singapore, Hong Kong and New Zealand. Since this program's inception, a total of 65 new-to-market brands have secured distribution across seven countries with first-order value of \$1.768 million.

It also supports exporters undertaking programs such as the US Market Entry Program in partnership with Wine Australia and further supports campaigns, 20 in total, including campaigns and activations into Hong Kong, the UK, the US, Canada, Singapore, New Zealand, Japan, Korea, India, Vietnam and China.

**Mr WHETSTONE:** Moving on to the South Australian Landing Pad Program, has that program been discontinued?

**The Hon. J.K. SZAKACS:** No.

**Mr WHETSTONE:** How has it performed over the last 12 months?

**The Hon. J.K. SZAKACS:** I can advise the member that it has performed and met its goals. It has provided grants of \$100,000 to assist interstate or international companies to establish an office in South Australia. To date, 45 companies have been approved for the program and the member, I am sure, would be very pleased to know, as I am sure he does already, that there is investment in this year's state budget to continue and upscale the program.

It is a very good program. It is one that is in the feedback I receive and I asked specifically, with the engagement I have across the sector, particularly with recipients, about the success and the value in which our prospects see this. We are very pleased this has been a key focus of the government and a key focus of our ongoing strategy.

**Mr WHETSTONE:** I just reflect on your previous answer about the Wine Export Diversification Program. You talked about over 1,600 brands in South Australia. Are you able to give me an understanding of how many brands have participated in outbound or inbound trade programs?

**The Hon. J.K. SZAKACS:** Sorry, is the member after a total number?

**Mr WHETSTONE:** A total number, yes.

**The Hon. J.K. SZAKACS:** It may be something that I can best take on notice to provide the fulsome detail. It is quite a number, sir. If you give me a moment, I will endeavour to provide some information now, but a more fulsome answer may be more appropriate for me to take on notice.

I will endeavour to take that on notice, because over that period of time there were a number of delegations and also a number of wineries have been supported. I can perhaps provide some advice to the member about recent delegations, particularly with respect to the re-engagement into China. A total of 36 wineries were supported as part of the state government's China re-engagement program and strategy. I note that a number of wineries from the Riverland were part of that supported program, including Byrne Vineyards and Negociants Australia.

There was an endeavour by the department—this was an endeavour that was some time before my swearing-in as a minister—around a diversified approach to the wineries involved in that support, but it is absolutely the ongoing endeavour of the department to support wineries and exporters into market. I mentioned in my opening statement the importance of supporting business, exporters and investors being in-market. On-the-ground in-market is incredibly important. We will continue to do that, and that will see that total number of wineries continue to be significant.

**Mr WHETSTONE:** Moving on to Invest SA highlights, Budget Paper 4, Volume 4, page 113, dot point 1, I notice the 2022-23 actual. You have already mentioned or stated that it was just over \$1 billion. The 2023-24 target is \$750 million and the estimated result was again close to \$1 billion, but the 2024-25 target is again \$750 million. Why is there a target of underachieving, or an under

\$1 billion result, when we are looking to grow investment through Invest SA attraction and your target is \$750 million?

**The Hon. J.K. SZAKACS:** I thank the member for his question, particularly his strong support for the overachievement of Invest SA in their investment attraction. The target in the budget papers was arrived at through a comprehensive process by the department. It is certainly my expectation, as is the activity on the ground by Invest SA, to continue their success in achieving and overachieving across those targets.

I do not think for a moment that there is any agency in the government which sees a target as a maximum. It is a minimum endeavour, and the work that is being undertaken by Chris Wood as the lead and his excellent team, both Invest SA and across the entire department, will in my view continue to exceed, continue to deliver the strong BD for South Australian businesses and inbound capital. I would be most optimistic that we will be sitting here next year with the member being able to talk about our overperformance again.

**Mr WHETSTONE:** Do you think Mr Wood is playing it safe, do you?

**The Hon. J.K. SZAKACS:** No. Mr Wood is an ambitious senior member of the government, and his work and his team are exceptional.

**Mr WHETSTONE:** How much of that figure of just over \$1 billion of investment into South Australia via Invest SA was foreign investment? Is there a breakdown of that figure by industry?

**The Hon. J.K. SZAKACS:** I can provide some additional information for the member and also I can endeavour to provide some information on the breakdown while I am here today. For the 2023-24 financial year the target, as already mentioned, being \$750 million, has been exceeded. In terms of a breakdown for the member, 41 projects have seen the accumulation of \$1.005 billion. This represents 134 per cent of DTI's total investment target.

Of the 41 secured projects, 26 were secured through FDI, with a total value of \$681.3 million, representing 67.8 per cent of the total investment facilitation in this financial year. These FDI investments were mainly in minerals and energy, food, wine, agribusiness, health and medical sectors. Further to answering the member's question regarding a breakdown, a further \$323 million was facilitated in local or national direct investment, and this can be broken down.

With respect to the breakdown across sectors, it is \$741.5 million in minerals and energy; \$93.3 million in the critical technology sector; \$77.4 million in food, wine and agribusiness; \$51.2 million in tourism; \$22.1 million in defence and space; \$15.2 million in health and medical; and \$4.1 million in creative industries.

**Mr WHETSTONE:** I appreciate the breakdown. Obviously, the main headline is that 66 per cent of the billion dollars of investment came via either energy, mining or defence. Are there any other programs that will be put to help boost investment in those other sectors? You did mention I think it was \$60 million. You whizzed the numbers at me pretty quick. But the food and wine sector, the service sector—there are sectors that I think are under-represented. Are there any other initiatives that the department will put in to further boost those sectors that I think are under-represented?

**The Hon. J.K. SZAKACS:** I think the best way that I can respond to the member's question, which is a fair and reasonable one, is that in fact the programs being delivered by the department, even going down into the dedication of FTE across the department, are disproportionately from a value perspective devoted to those industries the member raises that are at the lower end of that band. For example, critical technologies; food, wine and agri; tourism; defence and space; health and medical; and creative industries are all disproportionately supported.

I do not say that in a contrary or negative way, but they are disproportionately supported by resourcing of the department. That is a firm focus around the growth. It is also a very frank recognition that the value of investment in projects in the minerals and energy sector is by capita, by project, much larger than in projects in the remaining sectors of which I have informed the member.

**Mr WHETSTONE:** As I read it, the department was already meeting its per year investment targets into South Australia before Invest SA was re-established. How was re-establishing Invest SA contributing towards the figure? I understand we have moved up from the target of 750; if re-establishing Invest SA has contributed significantly towards the department's targets, why has the target remained at 750?

I know I have already asked this, but I am trying to validate Invest SA's worth and also understand the evaluation program for Invest SA's goals. How are they being met? Are there KPIs, are there targets set by you as the minister or by your management?

**The Hon. J.K. SZAKACS:** I will be very forthright from the get-go in answering the member's question: Invest SA is doing an outstanding job. The creation of Invest SA was a pillar of our commitment to the community and the business community of South Australia in going to and being successful at the 2022 election. It is not just our compact with the South Australian public and business sector that we should and must deliver on our commitments, it is the overwhelming feedback I have had in my short time as minister from my engagements—both domestically across Australia and with business across the globe. Amongst the very first things they raise with me is the outstanding support they receive from the Invest SA team.

That is really important, and it is not just important because the key focus of our government is to support the moving of capital and to support the focus of attracting investment into South Australia to grow scale and, most critically, to support the prosperity of South Australians through regional capacity, through job creation, and through business strength. Some of the greatest advocates for South Australia are those businesses that are being supported by Invest SA.

I was recently in Hong Kong to lead a very senior delegation—in fact, I was the first minister of any jurisdiction in Australia to travel to Hong Kong since the lifting of COVID restrictions, I think in the last four years I was the first minister to be there. There was one particular engagement that was a very high level business engagement supported by the local Australian Hong Kong chamber, and what was really pleasing to hear was the number of conversations in the room, strong voices from those who had been supported by Invest SA, speaking about and evangelising South Australia to those prospects. Very firmly at the core of that is the work undertaken by Invest SA.

I do not seek to mischaracterise the member's questions or his previous reasonable commentary around Invest SA, but it is certainly part of the ongoing strategy of our government with respect to economic development and with respect to economic prosperity. Invest SA is going nowhere; they are standalone, and the team, led by Chris, is doing a good job.

If I can provide specifically to the member's questions about some of the outcomes. Again, there are some that I simply cannot speak to today because of commercial considerations, and in due course subject to those commercial considerations being finalised we will be able to furnish this place and the member with additional details. But companies like Neon, Omni-Health, Zoho Corporation, of course the \$140 million investment into Port Bonython Hydrogen Hub and Aerobond space machines company are just some of the companies that are growing jobs in South Australia.

With respect to some of the targets and KPIs that the member asked about and referred to, since its creation in June 2022, 5,000 jobs have been created. For example, \$15 million has been invested through Kongsberg Defence for a purpose-built facility in Technology Park, which I understand is opening very soon. In addition, in conjunction with South Australia's clinical trial, Echo Systems supported successful capital raising of \$14 million, finalising a deal of \$12.5 million for a very exciting hydrogen production facility in Boliver.

Again, if I can use that as a demonstration of the wraparound impact that the work of Invest SA has, that has been raised by the Japanese Ambassador to Australia in his meeting with me. I have personally engaged with Marubeni. The first thing raised with me at both of those meetings was the outstanding support that they have received from Invest SA.

**Mrs PEARCE:** My question relates to Agency Statements, Budget Paper 4, page 113. Can the minister explain how the South Australian government has driven trade and investment outcomes by hosting major events such as the AFL Gather Round and LIV Golf?

**The Hon. J.K. SZAKACS:** I thank the assistant minister for her question. Of course, it is in her role as assistant minister to support the engagement and participation of young people in activity. Can I just say how critical it is that they can see our state supporting the attraction of major sporting events to South Australia. There are many young people in my community who speak incredibly fondly of seeing their heroes run around their local footy oval at AFL Gather Round, and young golfing prodigies walking around LIV Golf. It is a very exciting time for those people. I also note the exceptional work that the assistant minister does in this space.

Invest SA utilises major events to attract and bring targeted investors and businesses to South Australia, promoting the South Australian economy and its competitive strengths to attract investment. The benefits of organising investor and client events alongside major events allows Invest SA to offer additional incentive to visit South Australia. As a result, Invest SA has been able to attract decision-makers and senior business leaders to promote opportunities in South Australia.

Over the last 12 months, Invest SA, through major events, has attracted 542 senior business leaders and investors to South Australia from 451 companies from strategically targeted sectors including 155 interstate and, excitingly, 182 foreign companies. Investor events vary in scale, with the smallest having just four attendees and the largest having over 200 attendees, with an average of 68 attendees per event. In 2023-24, major events that have been held include:

- the FIFA Women's World Cup, where 113 people from 69 companies were directly engaged by Invest SA;
- the Horasis India Meeting, where 208 people from 189 companies were supported;
- the Adelaide International Tennis Tournament, which was seven people from seven companies (I think the member for Hartley put on his tennis whites and got down there);
- the Adelaide Motorsport Festival, which was 42 high-net worth individuals and 13 tier 2 net worth individuals;
- the AFL Gather Round, which was 84 people, including 19 interstate investors and 77 companies; and
- LIV Golf, which was 65 people from 44 companies.

Invest SA mainly and mostly supports these corporate events; however, it does also receive some support from the Department of the Premier and Cabinet, especially event funding for these larger events like Gather Round and LIV Golf.

On top of contributing more than \$83 million to the South Australian economy, outcomes from events held alongside the 2023 AFL Gather Round included nine South Australian companies in discussions with investors, ranging across direct investment, mergers and acquisitions, and IPOs. Of the nine companies, six are continuing discussions for further investment following the major event held with the SA Business Chamber, and three from other corporate events held at Gather Round. The outcomes of the 2024 Gather Round, whilst not able to be reported at this time, I am advised will be fruitful for South Australian business.

Due to the considerable amount of time involved, the dedication of the government in both pursuing and locking in these major events and sporting events for multiyear contracts is critically important. Relationships across the business development undertaken by Invest SA are critically important, and it is highly beneficial for our team to be able to plan rounds across multiple events and over multiple years, where the engagement can continue and relationships can be built upon thanks to these major events.

**Mr WHETSTONE:** Minister, is there a budget line for major events in trade and investment?

**The Hon. J.K. SZAKACS:** No.

**Mr WHETSTONE:** I did not think so. Moving on, I refer to Budget Paper 4, Volume 4, page 113. The department has supported a number of South Australian businesses on outbound business trade missions. Likewise, 200 international businesses were hosted on inbound business trade missions. How are they monitored for success?

**The Hon. J.K. SZAKACS:** I thank the member for his question. In direct response to the monitoring and outcomes, I am advised that there is, at the completion of each delegation, an internal review and internal monitoring of key outputs and key inputs, particularly with respect to lessons learned and future planning. Secondly, all the activity around the attraction of these inbound delegations is reported in activities and then, ultimately, in the activity that is before us today for examination.

**Mr WHETSTONE:** Thank you, minister. Can you give me an understanding of the cost of outbound trade missions, as well as the cost of inbound trade missions? Is there a cost per mission or an overall cost? Can you give me an understanding of what these reviews will mean for the benefit of either inbound or outbound trade missions?

**The Hon. J.K. SZAKACS:** I think it was the second part of the member's question that was regarding inbound. I will endeavour to seek some information. If I can provide that to the member during the course of estimates today, I will. With respect to outbound, over the last 12 months, departmental staff have travelled on a number of business missions to our priority markets I think I mentioned in a previous answer—

**Mr WHETSTONE:** Are you able to give me a number of how many missions in 12 months?

**The Hon. J.K. SZAKACS:** I can seek that breakdown, yes—including the United States, United Kingdom, Europe, India, South Korea, Japan, Singapore, UAE, New Zealand, Hong Kong, Vietnam, and China. The cost of staff travel for these missions across the 2023-24 financial year was approximately \$473,000.

**Mr WHETSTONE:** The department is delivering on the China support package, \$185 million. Obviously, there has been a priority with wine exports to re-engage with those winemakers and wine businesses. Are you able to give me an understanding of where that \$1.85 million is directed? Also, how is that money being distributed?

**The Hon. J.K. SZAKACS:** I can. I thought for a moment there the member had given us an upgrade to \$185 million.

**Mr WHETSTONE:** It is \$1.85 million.

**The Hon. J.K. SZAKACS:** It is \$1.85 million. I can break that down for the member. As he would be well aware, in March 2024, to coincide with the lifting of tariffs of wine exports into China, the \$1.85 million re-engagement support package was announced. This is being delivered in partnership with the South Australian Wine Industry Association and our Department of Primary Industries and Regions.

It does include, amongst a number of disbursements across the \$1.85 million, a new in-market Shanghai-based wine adviser, who is dedicated to exporter capability, building two-way market activation and immersion marketing and communication, and campaign support and technical cooperation administration.

The department held a series of China market insight workshops in January and February 2024 across the Coonawarra, Barossa, Riverland and Adelaide Hills wine regions. On market activation, the DTI has: led 23 producers on a Taste of South Australia China Trade Mission in Guangzhou and Chengdu in March 2024; convened a wine importer round table and a South Australian wine forum in Beijing during the visit to China by Her Excellency the Hon. Frances Adamson AC, the Governor; and supported 37 wine exporters to exhibit at Vinexpo Hong Kong, and four buyer meetings in Shenzhen in May 2024.

In June 2024, DTI commenced a targeted marketing campaign to build awareness and understanding amongst Chinese industry and consumers of South Australia's premium wine offering. The department will arrange an inbound visit program to South Australia for six to eight leading Chinese wine importers in the latter part of 2024.

I am further advised that PIRSA is leading a program of technical cooperation that will include research, industry and regulatory exchange with a focus on South Australia's sister state of Shandong. With respect to the phasing of the \$1.85 million, I can advise the member that there is a

three-year phasing and, due to the partial year because of the March 2024 announcement and kick-off, the program will see a significant tempo increase across the 2024-25 financial year.

**Mr WHETSTONE:** I did note that you were visibly shaken not to have met the Chinese Premier during his most recent visit. Are any other support packages planned or assistance to re-engage China with both red meat and rock lobster?

**The Hon. J.K. SZAKACS:** I sincerely thank the member for his checking in on my wellbeing.

**Mr WHETSTONE:** I was concerned for you, minister.

**The Hon. J.K. SZAKACS:** I would never accuse the member of being anything other than being concerned for my wellbeing. I am sorry to be the one to disappoint the member after his strong vote of support for my art of persuasion, but I was not visibly shaken by not being able to meet with the Premier of China. I am happy to inform the member that I have not met with Xi Jinping either, nor did I meet with—

**Mr WHETSTONE:** Shame!

**The Hon. J.K. SZAKACS:** Shame, that is right, but we are working on it. I can, though—and I am sure much to the member's excitement and support—advise that South Australia is incredibly well represented and served in the international diplomatic arena and within our federal government by two outstanding South Australian ministers, who are leading what has been an extraordinary turnaround in the repair of the relationship with China compared with that overseen by the Morrison Liberal government. The foreign minister, Senator Wong and the Minister for Trade, Senator Farrell, both of whom are South Australian senators, are doing a great and outstanding job in re-engaging with China. Whilst I did not meet with the Chinese Premier, they did, as did our Premier, Peter Malinauskas.

With respect to the engagement and re-engagement and repair of what are two very important—as the member has rightly referred to—outstanding matters, being beef and lobster, I can provide some additional information for the member. I can say from the outset that it is certainly safe to say that we here in South Australia—industry, primary producers, fishers, farmers—would have much liked to have seen the lifting of restrictions with respect to beef and lobster by now, and the impact that these issues, with respect to tariffs or lobster bans, is having on regional communities is significant and profound.

That is known by the leaders of our advocacy at a commonwealth level, Senator Wong and Senator Farrell. I engage with them on a regular basis and, I should add also, the Minister for Agriculture, Murray Watt, who, whilst not a South Australian, certainly has been extremely forthcoming and open to direct engagement with South Australia on these important issues.

Perhaps to the member's satisfaction, I reiterate that we—the government and the opposition—are all on the same page in wanting to see these restrictions eased as soon as we can. It is very promising to receive confidential briefings and also the aeration of these matters through public reporting, particularly from Minister Farrell, about a high degree of optimism regarding the hopeful imminent lifting of bans on lobster. As we have with wine, the government stands ready, willing and able to respond immediately and quickly in support of industry. Certainly in my short time as minister I have been engaging directly with industry to hear from them about what they see and what they would prioritise as re-engagement.

The focus of that, and the core of that, is the continued support for diversification. Whilst there has been, with respect to lobster, a significant impact on the value of exports, the volume of exports of live lobster has continued to hold strong. It is much to the reasonable concern of industry that an 'all eggs in one basket' approach to market is not a prudent, fit-for-purpose, long-term approach for industry.

But, parallel with that, are of course the immediate impacts that the lifting of bans into a market would have on the ability for our live lobster to return to the dinner plates, the restaurants, and the markets of China. They have put to me that they would seek the support of government in that immediate re-engagement. At this stage, it would be premature of me to be able to put a timeline

on when those bans on lobster may be lifted into China. However, I am satisfied that the best case and the best advocacy are being put forward by Minister Wong, Minister Farrell and Minister Watt.

**Mr WHETSTONE:** Moving on to page 113, dot point 7, can you explain what the TradeStart export advisory services partnership is?

**The Hon. J.K. SZAKACS:** The TradeStart program is delivered in partnership with Austrade. It includes a team of six trained advisers based in the South-East, the West Coast, the Mid North and across Greater Metropolitan Adelaide. Over the past two years TradeStart has delivered 881 export services to 374 South Australian businesses, facilitating over \$26 million in exports. Services to businesses include export guidance, market research, business to business introductions, capability building activities and in-market support. TradeStart advisers also support connection between South Australian export businesses and our international office network.

The TradeStart program has three regional offices: Mount Gambier, covering the Murraylands, Limestone Coast and the Mallee; Barossa, covering Barossa, Eden Valley, Clare, the Riverland and the Mid North; and Port Lincoln, covering the EP and Far West Coast. TradeStart works with over 280 active clients in South Australian regions, and over the past six months they have supported delivery of export readiness and market insight initiatives in the Riverland, South-East, West Coast and other regions.

A highlight of this regional engagement has been 125 unique services delivered into 28 Riverland wine brands over the past two years. This has encompassed export guidance and business matching global connections and market research. Over 15 individual Riverland wine brands have joined outbound trade missions or participated in inbound trade activities in these past 12 months.

Another very important demonstration of regional support saw DTI provide a grant of \$500,000 to Dublin-based Integra Foods, as I mentioned before, in pursuit of the ongoing plant protein export market development project. In May 2024, just last month, I executed a new four-year agreement with Austrade to continue the delivery of TradeStart services across forward estimates to support South Australian exporters. I think this is a unique South Australian relationship that we have with Austrade, one that, again, regionally is held in high regard, and one where I acknowledge my appreciation to Austrade for their commitment to this unique approach.

**Mr WHETSTONE:** I note that the Agent General to the UK and Europe, the Hon. David Ridgway, has just had a contract renewal. When will Mr Haese, the Special Envoy to Singapore, have his contract assessed?

**The Hon. J.K. SZAKACS:** I take the opportunity, albeit that Mr Ridgway is a direct appointment—the Agent General was a direct appointment from the Premier—to thank Mr Ridgway for his work in the UK as a terrific advocate for South Australia, and particularly for the on-the-ground support that he provides to many South Australian businesses in their endeavours in the UK.

With respect to Mr Haese, he is appointed under very different contractual arrangements than the Agent General. Mr Haese is not contracted. He is remunerated for his time and travel, so there is no contract renewal in the same manner as the Agent General having an extension to his contract.

**The CHAIR:** Time is up, I am afraid.

**Mr WHETSTONE:** I have one last question.

**The CHAIR:** Alright, I am a generous Chair so I will give you one last question.

**Mr WHETSTONE:** I have been well behaved today.

**The CHAIR:** Although you are eating into our scone time, I will give you one last question.

**Mr WHETSTONE:** With regard to the trade office network, are all of those trade officers under performance indicators?

**The Hon. J.K. SZAKACS:** Yes.

**The CHAIR:** Thank you for your very succinct answer.

**The Hon. J.K. SZAKACS:** I would not want to stand in the way of your scones, sir.

**The CHAIR:** The time allotted having expired, I declare the examination of the portfolio of the Department for Trade and Investment completed. I thank the opposition for their contribution, I thank the minister for his comprehensive answers, and I especially thank the public servants. I know all the work that goes into the lead-up to estimates, so thank you for your contribution.

*Sitting suspended from 10:32 to 10:45.*

**DEPARTMENT FOR INFRASTRUCTURE AND TRANSPORT, \$1,167,341,000**  
**ADMINISTERED ITEMS FOR THE DEPARTMENT FOR INFRASTRUCTURE AND**  
**TRANSPORT, \$7,946,000**

**Membership:**

Mr Pederick substituted for Hon. V.A. Tarzia.

**Minister:**

Hon. J.K. Szakacs, Minister for Trade and Investment, Minister for Local Government, Minister for Veterans Affairs.

**Departmental Advisers:**

Mr J. Whelan, Chief Executive, Department for Infrastructure and Transport.

Ms A. Hart, Director, Office of Local Government, Department for Infrastructure and Transport.

Mr L. Pineda, Manager, Budget and Reporting, People and Corporate Services, Department for Infrastructure and Transport.

**The CHAIR:** The portfolio is the Office of Local Government, the Outback Communities Authority and the Local Government Grants Commission. The minister appearing is the Minister for Local Government. I advise that the proposed payments remain open for examination and that the administered items line for the Department of Treasury and Finance is now open. I call on the minister to make an opening statement, if he so wishes, followed by the opposition.

**The Hon. J.K. SZAKACS:** Can I start by apologising to you for the lack of scones. I note your excitement in the last inquiry about that, so my sincerest apologies to you for any offence caused. I thank and acknowledge my advisers today: Mr Jon Whelan, Chief Executive, Department for Infrastructure and Transport; Alex Hart, Director, Office of Local Government; and Luis Pineda, Manager, Budget and Reporting, People and Corporate Services.

In my very brief opening remarks, I thank the staff of the Office of Local Government—all of the staff and, more broadly, those supported by the Department for Infrastructure and Transport—for their work and dedication across the last 12 months.

I also take the opportunity to recognise, across a bit more than three-quarters of the period under examination, the dedication and service of the member for Stuart, Geoff Brock—a good man, a great servant of his community and someone that I know I speak on behalf of many in sending both our appreciation and our thanks to for his dedication to his local community for many years.

**Mr TELFER:** As a brief opening statement, obviously, in this aspect of the budget, I will be dwelling on pages 133 and 134 of Agency Statement, Budget Paper 4, Volume 3. There is not a breadth of pages to be covered with local government, but there is a breadth of subject matters and a lot of important matters that affect the whole of South Australia. Can I just acknowledge the sector as a whole, which is always striving to be more efficient and more effective at serving its ratepayers.



The interaction between state and local government levels is really important and thus this examination is going to be especially important.

Minister, I will start by looking at page 133 and unpacking a little bit about the FTE numbers in particular. Can the minister explain the drop in the employee benefit expenses?

**The Hon. J.K. SZAKACS:** I can advise that the variance in 2022-23 employee benefit expenses to 2023-24 employee benefit expenses directly relates to the change in notation in budget papers of the OCA. I draw the member's attention to the final line in the program summary table, that the FTE from 2022-23 to 2023-24 has changed from 18.9 to 11.5 and note that eight FTE have been taken out for OCA and two for the Local Government Grants Commission.

With respect to the employee benefits, 1.193 in 2023-24, I will seek some further advice from Ms Hart, because I understand there are some insurance impacts that have affected that. I am advised by Mr Pineda that the variance in 2023-24 is directly apportioned to an actuarial re-evaluation of employee benefits relating to understanding workers compensation and long service leave.

**Mr TELFER:** You referred to the movement of the FTE from OCA and the grants commission. Whereabouts in the budget have they moved to?

**The Hon. J.K. SZAKACS:** I am advised that they are not reflected in the table contained on page 133 but are rather contained in the OCA statement.

**Mr TELFER:** So for the Local Government Grants Commission FTE, is that the same? Where are they encapsulated?

**The Hon. J.K. SZAKACS:** I can advise that the two FTEs for the Local Government Grants Commission are with the Department for Infrastructure and Transport reporting.

**Mr TELFER:** Very good. Can you clarify if there has been a service cut with the decrease in the net cost of providing services? Or a shifting?

**The Hon. J.K. SZAKACS:** No. I can advise that there has been no reduction in the total FTE, nor has there been a material reduction in the wages and on-costs portion of the employee benefit expenses. So, in a very black-and-white way no, there has been no reduction in services, nor has there been any reduction in budget in relation to the provision of those services.

**Mr TELFER:** As the minister responsible, obviously, for the Local Government Act, which provides for the strategic management advice scheme currently conducted by ESCOSA, and as the minister receiving advice from the Office of Local Government, are you satisfied or comfortable with the scale and scope of the review process developed by ESCOSA?

**The Hon. J.K. SZAKACS:** I think that is a question that I can best respond to by saying that I am continuing to work across and receive the advice so that this scheme in discharge of the legislation can operate effectively, can operate to the benefit of all parties. In my view, there has been an endeavour since the legislative change in 2021 from previous ministers, and in fact former governments—I think Minister Chapman was minister at the time—to work collaboratively across the sector in pursuing the effect of this section of the act.

I am satisfied to a degree that the scheme is operating consistent with the legislative framework; however, I remain open to where the scheme can be nuanced and improved so that both ESCOSA and the Local Government Association, and most importantly local constituent councils, can receive the maximum benefit from the scheme.

**Mr TELFER:** Minister, have you or the office been involved with any direction around the development of the scope and scale of the ESCOSA process?

**The Hon. J.K. SZAKACS:** No. I have been minister for 8½ weeks—

**Mr TELFER:** Or your office.

**The Hon. J.K. SZAKACS:** Yes, I will take advice on that, but I can certainly answer in the first instance regarding my involvement: no, I have not directed ESCOSA, and I would both preface and bookend that comment by noting that there is very limited capacity for ministerial intervention with ESCOSA, even for the responsible minister, the Treasurer. Perhaps I will take a moment to

confer with the director of the Office of Local Government on the second part of the question regarding the office's engagement.

I am advised by Ms Hart that, consistent with both the legislation which sets up the scheme and the operation of the scheme as an independent scheme and then importantly with respect to the statutory autonomy of ESCOSA, there has not been and nor can there be direction from the Office of Local Government with respect to the operation of the scheme, but I am advised and have seen and am satisfied with the strong engagement that the Office of Local Government has had with this scheme—with ESCOSA, with the Local Government Association and with constituent councils—for many years now.

As I said, since 2021 and prior to 2021 in the development of both the legislation as well as the nuance of particular clauses within the amending legislation, the Office of Local Government have been and remain and will remain very engaged with all parties involved in this.

**Mr TELFER:** Thank you, minister. In regard to that scheme, obviously it is established under the Local Government Act, but subsequent to that legislation ESCOSA have used their powers under the Essential Services Commission Act to increase the scope of the SMP scheme to review additional matters. In reviewing the 2021 House of Assembly debate on the relevant amendments, which was a constructive debate around the local government reforms across party lines, it was foreshadowed by the minister at the time that the expectation of the cost of the scheme would be around \$20,000.

With the subsequent use of the powers of ESCOSA to review additional matters, as you well know the cost has gone to \$40,000 per council. I am trying to get an insight: has there been any involvement from the office with advice to ESCOSA about the need to increase the scope of the scheme and review those additional matters?

**The Hon. J.K. SZAKACS:** I will answer that in a few parts and take some specific advice with respect to the engagement—and I think it is safe to say historic across the last two or three years—with the Office of Local Government and ESCOSA with respect to scope. I note the member's preamble to his question relating to some of the comments made in maybe a committee stage, second reading stage or third reading stage of debate by the Hon. Vickie Chapman. I have a lot of time and respect for the former minister, but trying to understand what she has meant or said at various times in my career has not been prudent and successful, so I am not going to start now. I should also say, nor do I have available to me the *Hansard* to which the member refers.

In terms of the scheme itself, I will take specific advice from the director with respect to the historic engagement, in those early days, around the previous minister's remarks around the \$20,000—if that was specifically in relation to what the member was asking.

Again, I just note that I am endeavouring to answer the member's question, but it is with respect to years that are not subject to the examination, years that I was not minister and years we were not in government. It may be that the \$20,000 figure the member refers to was in the back and forth and the changes in scope of what the proposed legislation would do in terms of the rolling schedule for the examination.

I am advised that initially there were discussions or proposals to have the scheme and the advice provided to councils every year. That then moved to a proposal of every three years, and it has ultimately, with the input of the independent Essential Services Commission, landed at four years. That would be the extent to which I am able to provide any illumination on the initial comments of the minister back in 2021.

**Mr TELFER:** Thank you, minister. In regard to this process, you referred to a statement around benefits for all parties. Is the minister aware of any efficiencies in the local government sector that have resulted from the provision of this advice from ESCOSA?

**The Hon. J.K. SZAKACS:** I can certainly respond to that question, and note that very recently—which I was very pleased to see—I was advised that the LGA submission into the federal enquiry into local government sustainability actually referred to the advice that has been received, and the recommendations that have been furnished as a result of the ESCOSA advice scheme. This was in their submission to the House of Representatives Standing Committee on Regional

Development, Infrastructure and Transport. I would be happy, at a later time today, if the member had some interest, to provide some additional detail on the state government's submission as well.

The LGA, in its submission, notes that ESCOSA's advice has confirmed the existing concerns of councils, and it has confirmed the advice of the independent ESCOSA with respect to sustainability. This is really important, because the view of this government is that the Financial Assistance Grants scheme and the total portion of funding provided by the commonwealth is insufficient, and it is insufficient to meet the sustainability needs of councils.

In the first instance, I note that the provision of that advice to the members of the LGA has enabled them to provide what is, in my view, a very strong piece of advocacy on behalf of their members. Councils that have received advice that they have risks are certainly taking action, and I am advised by the Office for Local Government, in their engagement, that this is occurring as a result of the recommendations provided to councils by ESCOSA.

There have been various public comments—I can perhaps take it on notice or I can find it in my pieces of information today—that have been made by the City of Whyalla and I think the City of Onkaparinga with respect to the advice and, particularly, the constructive engagement that they have then undertaken with their community and their ratepayers arising from the advice from ESCOSA. There is also, in my direct engagement with the Mid Murray Council, in their mind strong work being undertaken and action being undertaken by their council, led by their chamber, with respect to the advice that has been received by them in their first tranche of advice that they have received from ESCOSA.

These are matters that are taken every year as part of councils' business plans, the ESCOSA advice that is provided through the rolling four-year period to councils is, as I have noted and as members know, provided once every four years, but the annual business plans are actions that are taken every year annually by councils, and the work that I see and the work that we see being undertaken by councils immediately responding to ESCOSA advice occurs after their advice, but will and should continue across forward years in the creation and implementation of their business plans.

**Mr TELFER:** Minister, are you aware whether this advice that has been delivered to councils is on any issues that they were not already aware of, being that ESCOSA are basically bringing together publicly available data and information and presenting it back to councils? You spoke about a few of these councils using it as an advocacy tool. Are there any issues that you have heard that a council has been made aware of that they were not already aware of?

**The Hon. J.K. SZAKACS:** There are certainly matters, and I am not in an informed position to be able to give the member an indication from a portion perspective or otherwise of the total advice received or the recommendations received. Whether 10 per cent, five per cent or 100 per cent of matters being raised are already on the radar of councils, the question is a good one and I think it should be on the agenda of councils. The reality is that there have been a number of councils that have received recommendations from ESCOSA, particularly with respect to asset renewal, asset management plans and prioritisation of infrastructure matters, that have not been on their radar or their agenda or, as the member puts it, known.

Certainly in my ongoing engagement with the sector and councils and ESCOSA, it is my endeavour where there are efficiencies or opportunities for there to be a nuancing of the scheme and efficiencies gained in the scheme, particularly in those elementary matters, for lack of a better way of putting it, to provide efficiencies in ongoing years. That is a focus of mine and certainly, I understand, a focus of the sector and, I am pleased to be able to say, a focus of my engagement with ESCOSA as well. But the fact remains that there are at large a number of recommendations that have been made to a number of councils that have not been, as the member puts it, on the radar or known to them.

**Mr TELFER:** Is there any action from the state government to assist councils who have been shown to be unsustainable or potentially unsustainable in the two years of ESCOSA reporting so far? We know that there are, off the top of my head, 11 councils I believe that have been designated by ESCOSA as unsustainable or potentially unsustainable. What is the government doing with regard to any additional supports for those local government areas?

**The Hon. J.K. SZAKACS:** I did refer earlier on to the position taken by the Local Government Association—and this is simply one part of my answer to the member's question—with respect to the federal inquiry into the financial sustainability of councils. I think it is important to put on the record that part of the response of the state government. Particularly with respect to the advocacy of the state government, it must and should be to recognise publicly and without fear or favour that the current system, the current scheme, the current federal apportionment, of budget is insufficient.

There has been engagement that I have had with councils, particularly those regional councils, the smaller councils and all those that have been in receipt of smaller amounts through FA, who have been very clear in their view about the unsustainability of the current scheme. Part of the submissions and the recommendations of the state government with respect to the financial assistance grants is not just that the total pool must increase but that there should be a position taken by the federal government that there is a no worse-off position. It is my view that councils should have a reasonable expectation that the existing financial assistance grants framework continue as a base, but I recognise—and I earlier mentioned the Mid Murray Council as just simply one example—the insufficiency and inadequacy of those total grants for those councils.

There is also an opportunity through this inquiry to advocate for a change in the roads funding. It is appropriate for Mr Whelan to be here today, but we have seen, time and time again, that there are smaller regional councils that do carry, in my view, a disproportionate load with respect to roads and infrastructure funding compared to their metropolitan counterparts. I saw this firsthand, and the member for Chaffey saw it firsthand, during the River Murray flooding event, where there was an enormous impact on the road network of these councils, notwithstanding the support of the state government. Much of the road network that was disrupted and much of the road network that was in part destroyed was local road network.

It is that asset renewal base, that infrastructure spending, that does lead to, in part, the recommendations that are received by the councils that have been subject, so far, to the advice from ESCOSA about sustainability. It is about recognising, where there are questions and recommendations made by ESCOSA with respect to the sustainability of a number of these councils that the member has referred to, that there are big, flashing red lights with respect to infrastructure and assets.

I know that the Minister for Infrastructure and Transport is well aware of this and across this, but it would be insincere of me to not be very clear and deliberate in my view that there is an embedded insufficiency of funding across the councils that have formed the large part of the unsustainability or questionable sustainability identified by ESCOSA.

**Mr TELFER:** Minister, on that tangent you have gone down, I know there has been some commentary about \$5 million being invested into creating new programs to improve mental health services. The reason I bring it up with you is that it talked about the continued funding of the Public Health Partnership Agreement between the LGA and Preventive Health SA. Does the minister know where in the budget that is, though? We have seen the announcement.

**The Hon. J.K. SZAKACS:** It is not an administered item or in ours. I am sorry, I am not sure if the health minister has been up yet or not but it would be one that we would be happy to—

**Mr TELFER:** I know that the local government sector and the LGA are just uncertain as to that.

**The Hon. J.K. SZAKACS:** It is a very sincere question by the member and we have spoken, and with the member for Chaffey as well, outside of this place about that key issue regarding mental health impacts of disaster and recovery into their communities. I will endeavour to find out if there is any information that I can provide the member as well, just noting that it is outside of my portfolio.

**Mr TELFER:** I appreciate that. Continuing on, I want to turn my mind to some of the other highlights and targets. The 2023-24 target was to undertake a review of the 2022 local government periodic elections and consider legislative reforms to improve participation in local government and local government elections. The 2024-25 target talks about progressing the review of the 2022 local government periodic elections.

In relation to those targets for 2024-25, when will the minister announce the state government's findings in relation to the recent review of community engagement and the state government's response to the recommendations of the Electoral Commissioner in relation to the 2022 local government periodic elections? We know that time frames had been pushed out a bit. The latest one is still on the YourSAy website as 'to be delivered in May 2024'. We are now nearly into July 2024. I just want a bit of an insight, minister, into what is going on with that process.

**The Hon. J.K. SZAKACS:** There are a few moving parts on that one. With respect to the progress of the participation review, I can acknowledge that the summary of the YourSAy public consultation is published and that forms the first part of the re-engagement on this matter.

The significant part of the member's question, which is the periodic review into the 2022 local government elections, of course is a matter for the Electoral Commissioner. When he provides me and the government with his review has been a matter for him but, without speaking for the Electoral Commissioner, he has informed me personally that his periodic review is imminent. That of course then enables the government, once having received that review, to consider all matters.

I think it would be a fool's approach to consider one without the other. I do not think it was ever the endeavour or the proposal to consider one without the other, but acknowledging that for a number of factors to which I am sure the Electoral Commissioner may have referred in his evidence to estimates—notwithstanding in large part some of the litigation that is occurring—that has been delayed.

The good news is that I am expecting that he will be completing his report imminently. That will then enable the government to receive it and consider it. I do not think there is a statutory requirement for the periodic review to be laid before the house, but I can commit today that that will be done, as it has been by previous ministers as well.

**Mr TELFER:** I am certainly not one to try to muddy the waters. There is a differentiation between the process that the Office of Local Government put through and, obviously, the Electoral Commissioner's fulsome process. I am trying to get an insight into what actions are going to come from the process that has been undertaken by the Office of Local Government and when we will see steps actually coming from that.

**The Hon. J.K. SZAKACS:** As I said, in the last couple of days I believe the YourSAy public consultation has been published. I am considering that feedback as a report to me. I will then, subject to consideration by cabinet and with further significant consultation with the sector, consider the Electoral Commissioner's periodic review and any potential recommendations contained therein, as well as the substantive matters that were put in the participation review and have been subject to public consultation since that time. The reality is that it is one piece of potential legislative reform—it is not that we are endeavouring to bring multiple bits and pieces.

It is highly likely that there will be, subject to cabinet, proposals that we put to the parliament, which will be considered by cabinet in the usual manner of course. For me—and the member has acknowledged this—the receipt of recommendations from the Electoral Commissioner is important. I am pleased to be able to inform him that I am advised that they are just around the corner.

**Mr TELFER:** In reference to the process the office has gone through, is the minister satisfied with the results? Are the number of engagements sufficient to give any sort of guidance: 92 submissions from the whole state, 406 completed YourSAy surveys? In reality, what this looks like as far as engagement with ratepayers, elected members and councils around the state, is it worth the paper it is written on?

**The Hon. J.K. SZAKACS:** I will answer the first part of the member's question, which is probably a more sincere question, as opposed to 'the value of the paper it is written on'.

**Mr TELFER:** We have waited with bated breath for this—the timelines are extended to give people extra time. The numbers, for me, are pretty disappointing at that level of engagement. Maybe it reflects the public interest in the intricacies of some of these processes. At the time, I was one who was questioning the reasoning behind doing it in this way, and I worry that the numbers that have come from it really do nullify the value and the weight of that process.

**The Hon. J.K. SZAKACS:** The member is right to draw attention to any degree of public consultation that has occurred, whether through this process or any process across any matter of government agency or department. I think he is also correct—I am not sure if he put it explicitly—implicitly about the challenge of engaging the community on this matter, and maybe would be open to reflecting that it is broadly reflective of the engagement in local government that I know the former minister was most keen to explore, which is the genesis of this participation review in the first place.

With 33 or 34 per cent of the community voting in local government elections—of course it is higher in the regions—it is not surprising, in my view, that there has been the number of individuals giving feedback or completions of the YourSAy survey. In part to the member's question, I might invite Ms Hart to provide some advice with respect to the historic procedural engagement that was undertaken by OLG with respect to the public consultation and YourSAy.

**Ms HART:** I am sure the member will recall that in December 2023 the material was placed onto YourSAy. There were various efforts at the time through social media and other channels to draw people's attention to that material. We also worked closely with the Local Government Association to hold online sessions that all council members and staff could participate in to talk to us more generally about the ideas and proposals that were included in the discussion paper, and to encourage submissions to be made by councils.

I would note that the survey that was placed onto YourSAy was not short. We asked many questions in great detail and were, in fact, quite impressed with the level of detail and thoughtfulness that the respondents to that survey put in.

**Mr TELFER:** Those who stuck it out.

**Ms HART:** Those who stuck it out, but they certainly did, which I think reflected the interest that the respondents had in the subject material they were engaging with. All of that material is now on YourSAy, as the minister has alluded to. I think, in reading through those comments, you will note that obviously the people who did respond—and I think there were a reasonable number of them—have a good engagement with it, and have given us very thoughtful material for the minister to consider as to what may or may not proceed from there.

**Mr TELFER:** I have reviewed some of that material, too, and know the character types that get involved in these sort of processes. Minister, you spoke about the hopefully imminent presentation from the Electoral Commissioner of his review. It is certainly over a year and half since the elections, and we are closing in on two years. Are you confident that the 2022 local government periodic elections process can be appropriately reviewed, the engagement appropriately reviewed, and then consideration given for legislation which could be prepared and then put through parliament to leave enough time for the Electoral Commissioner and the 68 councils to prepare for the 2026 local government elections?

**The Hon. J.K. SZAKACS:** These are all matters of worthy consideration, but not one where I can crystal ball an answer for the member. It is really important to note, as has been the subject of much inquiry by the member, the former minister in the parliament, and one that I am just necessarily needing to note again now, that the Electoral Commissioner is an independent statutory officer not subject to my direction as minister nor the Special Minister of State.

What I can say, though, is that one of the first things that I did after being sworn into this portfolio was to meet with Mr Sherry. I really appreciate his time and all the efforts that he undertakes in the execution of our elections in South Australia. It certainly has been a very busy couple of years for the Electoral Commission, with by-elections, the state election, council elections and the Voice election. These are matters which are reasonably and understandably impacting the resourcing and timeliness of matters which the Electoral Commissioner would ordinarily undertake.

I know that it was the former minister's endeavour to receive the report of the Electoral Commissioner as soon as practicable. It is my endeavour as well, but they are matters that are quite simply out of my hands and out of the former minister's hands as well.

**Mr TELFER:** Are you satisfied with those timelines? Are you satisfied that we are coming to June 2024 and the Electoral Commissioner's review of the 2022 local government elections are not already in your hands?

**The Hon. J.K. SZAKACS:** I am entirely satisfied with the matters put to me by the Electoral Commissioner, particularly as to the likely completion of that review.

**Mr TELFER:** You spoke about one of the early things you did as minister was meeting with the Electoral Commissioner. Did you get an insight into what caused—as was announced in December 2023 by the commission—the mistake in the Electoral Commission process which resulted in the incorrect calculation of votes in 25 local government elections, including the Adelaide Plains Council, which actually altered the outcome of the election?

**The Hon. J.K. SZAKACS:** Yes, it is a good question. I certainly did receive a quite detailed briefing and explanation from the Electoral Commissioner. I understand also that he, in examination yesterday, had the opportunity in his own voice to explain some of the internal technical matters that impacted that.

I know that he expressed to me his regret about the outcome and that I also expressed to him my appreciation of what I understand was a far from optimal outcome; however, the full consideration of efforts that were made subsequent to that by the Electoral Commissioner have been worthy of expressing my appreciation. Certainly, it was a technical matter that he briefed me on, but I would not go through that in my detail now for potential systemic detail issues.

**Mr TELFER:** So, minister, you were satisfied with the show of regret as a fulsome response to what I believe is a terrible outcome for democracy, especially for the people of the Adelaide Plains who are now in this uncertain circumstance with two members who were not elected continuing on now even nine months after those findings were brought to light?

**The Hon. J.K. SZAKACS:** The member is open to provide his own subjective commentary on that and I have given my response.

**Mr TELFER:** There is a lot in these papers, so I do not want to dwell too long on that, but I think it is probably the most important issue facing local government at the moment and one which I am glad the minister is putting his attention to and I would encourage him to put even more attention into.

**The Hon. J.K. SZAKACS:** On that, though, I note that those matters are subject to court proceedings, and I certainly would be careful to not seek—and I say this with the greatest respect, as I know that the member does as well—with matters that we illuminate or respond to in here, be it improperly or inadvertently—

**Mr TELFER:** Yes, not at all.

**The Hon. J.K. SZAKACS:** —to make comment with respect to a matter that is currently being litigated.

**Mr TELFER:** Minister, in the targets for 2024-25, on page 133, there is a line 'Develop a State-Local Government Economic Partnership Accord to grow economic opportunities across the state'. Who is tasked with the development of that economic accord? Is it your office? Is it DPC? Will you be involved directly in that development?

**The Hon. J.K. SZAKACS:** I thank the member for his question. It is a collaborative approach. It is being developed and engaged across government. OLG is heavily involved, as is DPC.

**Mr TELFER:** Is OLG the lead agency?

**The Hon. J.K. SZAKACS:** Yes, but that is not to say that they are solely responsible for the engagement on this. I think it is very important to note that this is an important strategic matter that was pursued by government in previous years, and I suspect was subject to examination before estimates in previous years. But I can certainly confirm that that will be finalised late this year and is one that I know is welcomed by the government and by the sector and one that I am sure will provide for a significant framework and body of work going forward.

**Mr TELFER:** On page 134, there is 'Explanation of significant movements' around jetty funding. To what extent is the Minister for Local Government or the Office of Local Government involved in decision-making in relation to the SA Jetties Renewal Program?

**The Hon. J.K. SZAKACS:** I can advise the member on advice that the Office of Local Government does not have a material involvement in the advice around that. It is simply an accounting matter that has been moved through and is now within the office for roads and marine.

**Mr TELFER:** Sorry? As far as designation of allocation potential between council-leased jetties and state government jetties, is there still a delineation or is that purely now up to the decision-making capacity of the Minister for Infrastructure and Transport or the CEO?

**The Hon. J.K. SZAKACS:** I can certainly say that it is not a matter within my office's responsibilities, so it may be a matter to be raised with the Minister for Infrastructure and Transport.

**Mr TELFER:** Very good. I refer to Budget Paper 4, Volume 3, page 133. One of the highlights listed is:

Worked with the new administration of the District Council of Coober Pedy to address the Council's financial sustainability and the future delivery of essential services in the township.

I know this one might be of interest to you, Mr Chair. The target is to continue to work with the administration of the District Council of Coober Pedy to resolve the council's financial sustainability and the future delivery of essential services in the township. Can the minister provide the detailed outlay for the last financial year on this highlight? What budget outlay does the minister expect in 2024-25 to continue to help the Coober Pedy council return to a position of financial sustainability?

**The Hon. J.K. SZAKACS:** I thank the member for his question. Perhaps he asked this one for the Chair.

**Mr TELFER:** It is one which is of great interest to many across the state.

**The Hon. J.K. SZAKACS:** I do take the opportunity to note the strong advocacy and engagement the member for Giles and Chair has had on this. It is a two-part question. The first is the DC activity across 2023-24 and then the budget measures with respect to 2024-25. I can advise that across 2023-24, from a budget perspective, the state government allocated \$150,000 to support the work of the three administrators, but there is a significant amount of work that has been undertaken within the office and from the Office for Local Government, as well as the administrators, as well as the interim and acting chief executives of council.

Fundamentally—and I think this is important to note—the government has a very strong view that there should be a return to an elected council in Coober Pedy as soon as possible. That is something that I have expressed personally to both administrators and to council, but also to a very large number of members of the Coober Pedy community, great advocates for their community, who were recently in Adelaide and were hosted by the Governor at an engagement and then hosted by the member for Giles and myself in Parliament House.

I can note directly in response to the activities requested for information from the member for 2023-24 that in February 2023 an interim administrator was appointed for a six-week period to focus his attention on the state of the council's finances. He then produced a frank report about the remaining problems and the effort that is needed to address them. It was clear that these issues needed serious attention, so three administrators were then appointed, as a decision by the former minister: a principal administrator and two supporting administrators.

The decision to appoint a small group rather than a single administrator was made to ensure that the challenges of addressing these issues would not be borne by a single person and that the Coober Pedy community could be confident that decisions are being made by a small group of highly experienced local government practitioners.

I can advise that for the first time the council has a long-term financial plan that provides a pathway to a sustainable future. This is now being implemented through budget decisions that are both tough and at the same time absolutely necessary to address years, if not decades, of council mismanagement, significant rate and water charges, and service delivery inefficiencies. That is why, with respect to the second part of the member's question, there is an announcement of an allocation of \$250,000 in this year's state budget to undertake a service review and to complete an asset management plan, to ensure that the council does understand the bookends of its service delivery and its asset management plan.



The service review, the \$250,000 in this year's state budget for years 2024-25, will identify all the municipal services and functions currently provided by the council, including the identification of assets and staff resources used in the provision of these services and functions, and provide detailed costings of each service or function.

It will include a comparison of both expenditure and service standards across all council functions with other small regional South Australian councils. It will identify any opportunities for the alternative delivery of council services and functions. It will identify all options for the provision of services within the council's revenue, which may include reductions in the range of existing municipal services and functions and/or revenue increases to ensure the council's ongoing sustainability across the 10-year period.

I can advise the member further that this will be overseen by the Coober Pedy Taskforce, which is chaired by the deputy chief executive of the Department of the Premier and Cabinet with additional representatives from the Department of Treasury and Finance, the Department for Infrastructure and Transport, the Department for Environment and Water and the Department for Energy and Mining and with support from my Office of Local Government.

**Mr TELFER:** Is it a goal of your office or of you as minister to have the democratic rights of the ratepayers of Coober Pedy returned to them to put their council representatives in for the scheduled 2026 council elections?

**The Hon. J.K. SZAKACS:** Yes, it is.

**Mr TELFER:** I commend that goal. Talking about the grants commission for the couple of minutes I have left, has the grants commission completed any determinations under their responsibilities as the Local Government Boundaries Commission in the 2023-24 financial year? Have any been advanced? What work has been done?

**The Hon. J.K. SZAKACS:** I am advised that they have completed their inquiry into the proposed boundary changes in Tickera.

**Mr TELFER:** Was that this financial year or last?

**The Hon. J.K. SZAKACS:** Yes, it was 2023-24. I know Tickera very well. My godparents retired up there. It is a very unique town. I understand that inquiry was completed in 2023-24.

**Mr TELFER:** So that is the only one? Have any other works been advanced? I am interested in this process, obviously, because it has been a few years since the boundaries commission's expanded responsibilities have been in place, and Tickera is the only one that can be pointed to as one that has reached completion, I think, throughout the whole history.

**The Hon. J.K. SZAKACS:** I will take advice as to those instituted, but also specifically in relation to this question. There has been a further completion of a matter—I am unable to advise which year it was completed—in the Hallett Cove area. But I think it is important to note that there has been a significant body of work undertaken by the commission. Since its commencement in January 2019 there have been 15 proposals. Of these there are four proposals that are still under consideration or currently under consideration and a further nine that did not proceed as they either did not meet the statutory requirements or were withdrawn by the proponent. As I advised, there have been two that have been completed.

Of the four current proposals, for the member's interest with respect to the work of the commission, there is the significant council-initiated proposal from the Town of Gawler, which is currently under investigation. This is a proposal which includes changes of council boundaries within The Barossa Council, the Light Regional Council and the City of Playford. I can also advise that it is expected that another significant proposal initiated by the Campbelltown City Council will commence shortly, following the appointment of an investigator. Further, the commission is also currently considering a joint-council-initiated proposal from the City of Burnside and the Adelaide Hills Council and a publicly initiated proposal from Seaclyff Developments Pty Ltd in relation to boundaries between the City of Holdfast Bay and the City of Marion.

**Mr TELFER:** I would love to talk about local government all day, but I will ask the member for Chaffey to perhaps do the omnibus, and that can bridge over while there is a change of staff to the next session.

**Mr WHETSTONE:** The omnibus questions are:

1. For each department and agency reporting to the minister, how many executive appointments have been made since 1 July 2023 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 2023 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 2023?

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 2023, 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 2024-25 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 or agency reporting to the minister, how many surplus employees are there in June 2024, and for each surplus employee, what is the title or classification of the position and the total annual employment cost?

7. 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?

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

- What savings targets have been set for 2024-25 and each year of the forward estimates;
- What is the estimated FTE impact of these measures?

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

- What was the actual FTE count at June 2024 and what is the projected actual FTE account for the end of each year of the forward estimates;
- What is the budgeted total employment cost for each year of the forward estimates; and
- How many targeted voluntary separation packages are estimated to be required to meet budget targets over the forward estimates and what is their estimated cost?

10. For each department and agency reporting to the minister, how much is budgeted to be spent on goods and services for 2024-25 and for each year of the forward estimates?

11. For each department and agency reporting to the minister, how many FTEs are budgeted to provide communication and promotion activities in 2024-25 and each year of the forward estimates and what is their estimated employment cost?

12. 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 2024-25?

13. 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 2024-25, 2025-26 and 2026-27?

14. For each grant program or fund the minister is responsible for, please provide the following information for the 2024-25, 2025-26 and 2026-27 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.

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

- Is the agency confident that you will meet your expenditure targets in 2024-25?
- Have any budget decisions been made between the delivery of the budget on 6 June 2024 and today that might impact on the numbers presented in the budget papers which we are examining today?
- Are you expecting any reallocations across your agencies' budget lines during 2024-25; if so, what is the nature of the reallocation?

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

- What South Australian businesses will be used in procurement for your agencies in 2024-25?
- What percentage of total procurement spend for your agency does this represent?
- How does this compare to last year?

17. 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?

18. 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?

19. How many procurements have been undertaken by the department this FY, how many have been awarded to interstate businesses? How many of those were signed off by the CE?

20. 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?

21. 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:** The time allotted having expired, I declare the examination of the portfolio of the Office of Local Government, Outback Communities Authority and Local Government Grants Commission completed. The examination of the proposed payments for the Department for Infrastructure and Transport and Administered Items for the Department for Infrastructure and Transport are now complete. I thank everyone for their contribution, especially the public servants who work so hard to prepare for these sessions.

**DEFENCE SA, \$28,614,000**

**Membership:**

Mr Batty substituted for Mr Telfer.

**Minister:**

Hon. J.K. Szakacs, Minister for Trade and Investment, Minister for Local Government, Minister for Veterans Affairs.

**Departmental Advisers:**

Mr M. Opie, Chief Executive, Defence SA.

Ms B. van Reesema, Acting Director, Strategy and Engagement Manager, Veterans SA.

Mr P. Murdock, Finance Manager, Defence SA.

**The CHAIR:** The portfolio is Veterans SA. The minister appearing is the Minister for Veterans Affairs. I advise that the proposed payments remain open for examination. I call on the minister, if he so wishes, to make an opening statement to be followed by the opposition, if they so wish. I call on the minister to introduce his advisers.

**The Hon. J.K. SZAKACS:** Thank you, sir. I am pleased to introduce with me today Matt Opie, Chief Executive, Defence SA; Bec van Reesema, Acting Director, Veterans SA; and Peter Murdock, Finance Manager, Defence SA.

Can I briefly but importantly acknowledge the service of our veteran community, acknowledge the service of those who choose to serve our nation and acknowledge those who suffer as a result of their service, be it financial or from a health perspective, but also acknowledge the extraordinary contribution that the vast majority of veterans undertake to our community, whether it be through volunteer service or whether it be through employment.

Not only are we a state that is built on the back of some of the hard work of veterans but we are a state that firmly sees the future prosperity of our state, particularly through future investment in defence, through AUKUS, through pillar 1, pillar 2 and associated industries, firmly entwined with the prosperity of our veteran community.

I also seek to acknowledge, as I did in a previous portfolio today, the very strong support that the veteran community receives from all members of parliament. This is an area which is proudly, as is our defence community, nonpartisan. I acknowledge the shadow minister who is part of the committee today, and I acknowledge all the members of this place who firmly see the importance of their roles in recognising, acknowledging and paying respect to the service of our veteran community.

**Mr PEDERICK:** I will make a brief comment and acknowledge the minister's comment. I too salute all people who make that massive commitment to be prepared to lay down their life for this country, whether they be serving members of the Defence Force or veterans, and take note of all that we need to do to look after not just their physical health into the future but their mental health and the employment opportunities that we can bring them along the way. I truly support their service.

I will go with my first question. Budget Paper 1, Budget Overview, page 27: can you outline what specific veteran community programs the \$1 million over four years will go towards?

**The Hon. J.K. SZAKACS:** I acknowledge the significant increase that we have secured by way of recurrent, baked-in funding across the forward estimates. I can answer the member's question in a few parts, but if I can acknowledge that this is a substantial increase in the ability of Veterans SA to deliver their services and their engagement and to build on that engagement with the veteran community in South Australia.

As I mentioned in my opening remarks, we see the prosperity of our state entwined with the prosperity of veterans, and the additional funding that has been received into the operating expenditure of Veterans SA will contribute significantly to the ability of South Australia to do so. I

acknowledge also that Veterans SA, sitting in Defence SA, led by the chief executive, Matt Opie, is firmly focused on outcomes that focus on this prosperity.

There are portions of this reserve funding for which I can commit now that we will be engaging with stakeholders on prioritisation. My very firm focus in that is the acknowledgement that, in September this year, the commonwealth will receive the final report about defence and veterans suicide. There has already been significant work undertaken by the commonwealth, with a high degree of input from South Australian authorities into that royal commission.

I am mindful that there is a need for the state government to be responsive and nimble, albeit I anticipate that the majority of the recommendations to date will continue to be recommendations to the commonwealth. South Australia, being the first state to create a veterans portfolio and the first state to create a standalone government bureaucratic focus, would also endeavour to be a state that is responsive, within our capacity, to these recommendations that may be forthcoming from the Royal Commission into Defence and Veteran Suicide.

**Mr PEDERICK:** Thank you. I will go to Budget Paper 3, Budget Statement, page 4, regarding the economy, dot point 6. What involvement will veterans have in the government's aim to increase Defence SA's presence locally and internationally?

**The Hon. J.K. SZAKACS:** I am advised by Mr Opie—noting that the operations of Defence SA are not ones that I am responsible for, but I am very pleased to have the advice of the chief executive here with me—that there is continual and ongoing strategic engagement between Defence SA and veterans, so that the embedding of outcomes for veterans is a core part of the work that is undertaken by Defence SA.

There are various programs that are supported or administered by Veterans SA that are supporting and bringing scale to some of the work that the sector or ESOs are undertaking in this space, specifically in relation to Defence SA, I am advised. I have seen, in my short time as minister, that it is a key focus—that jobs output and the embedding of veterans into the development of industry and work is a core part of the framework that Defence SA sets out and endeavours to execute.

**Mr PEDERICK:** I will go to Budget Paper 4, Volume 1, page 159, Program 3: Veterans SA, description/objective. How many veterans are there currently in South Australia?

**The Hon. J.K. SZAKACS:** I am advised that, in relation to the data collected in the 2021 Census, there are more than 47,000 people in South Australia who have served in the Australian Defence Force. That is obviously a point in time. I will take the opportunity to say that it is a very firm expectation of the government and our agencies and departments that that number will significantly grow in future years not only due to some movements and changes within the organisational structure and deployment of defence, particularly with the allocation and deployments into Edinburgh, but particularly with the massive expansion of AUKUS pillar 1 and pillar 2, there will be a number of civilian employees who are veterans moving to and setting up shop in South Australia. So we expect that number to significantly grow into the future.

**Mr PEDERICK:** What are the main matters of importance for veterans that are being conveyed to Veterans SA?

**The Hon. J.K. SZAKACS:** I will summarise some of the matters that have been raised directly with me and some of the matters that have been briefed to me by Veterans SA. I think it is incredibly important in its simplest form, but also profoundly important to engage and listen to our veteran community.

Of course, we define in South Australia that the veteran community is broad-based; that is, of course, current and former serving defence personnel and their families. It is great to have a member of that community in our parliament, the member for Dunstan, who, quite proudly before her time in here and has taken the opportunity since being in this place to speak to me and to speak to other members of this parliament regarding her experiences as the spouse of a former serving defence member.

There are a few headline issues that I think are worthy of note. Mental health and wellbeing continue to be raised with me. It is my probably unqualified view at this stage that that will continue. The trauma around that and the acute trauma that has led to those matters will be necessarily amplified this year in the year that the royal commission will be handing down its final recommendations. I am mindful, and I know that our primary and secondary health clinicians are also mindful, that there will be an impact on the mental health of individuals this year in a more disproportionate way because of the amplification of the final findings of the royal commission.

I am very pleased to report on, with a couple of my hats that I have been wearing this year as former corrections minister and now veterans affairs minister, the number of veterans who are incarcerated. We are a state and have been a department and a government that have been acutely focused on programs that are specifically responsive to the unique needs of veterans in our correctional system.

There are a suite of factors that lead to the incarceration of veterans, but what is important and incumbent upon government is to provide responsive and culturally informed programs that can shift the dial. There are individuals involved who I will not name today, who are Australian leaders in this space, and I pay my respect and appreciation to them and the Department for Correctional Services.

The third matter is the ongoing challenges that veterans have—if I am frank and honest about this—with DVA. The DVA system has, reasonably so, been the subject of significant public scrutiny over a number of years now. The appropriateness of the legislative framework of DVA, and with compensation and ongoing support, is rightfully the subject of significant attention from the federal government. In my engagement with my federal counterpart I understand that that is a focus and he has been engaging significantly with the veteran community on reforms in that space.

But the sufficiency and at times the disconnect between service delivery, perceived outcomes and perceived best endeavours by the commonwealth and DVA do not match up with outcomes on the ground. As a former, in a previous life, lawyer and advocate for people who had been injured at work, not dissimilar to those who have been injured in the service of their country, I have firsthand experience of the trauma that can be caused by processes within the pursuit of entitlements and pursuit of compensation.

I am very mindful, having received that information and feedback from the community, about what we can do as a government to both support and provide advocacy to the commonwealth to mitigate against that additional trauma that can be caused by a process in the pursuit of ordinary and reasonable legal entitlements.

**Mr PEDERICK:** Do you have figures on the current unemployment rate of veterans in South Australia?

**The Hon. J.K. SZAKACS:** I do not have that with me, but we will take it on notice for you.

**Mr PEDERICK:** You will bring it back—thanks. Do you know how many veterans in South Australia are classed as homeless, and what is being done to improve veteran homelessness?

**The Hon. J.K. SZAKACS:** That is an important body of work to which the Department of Human Services is dedicating resources, on my advice. I do not have the number of veterans currently experiencing homelessness. The best I can do is endeavour to seek that information and, if we can, provide a figure to the member. I think it highlights two matters regarding the quality of data, the first of which is that the data around homelessness is a bit rubbery and, secondly, it highlights the importance of the capture of data for veterans.

The former minister and the Minister for Education undertook a really important piece of work that is now fully implemented in South Australia to capture the data of the children of veterans. I use that to illustrate the point that, where we can get data and can better collaborate with agencies to capture the data for veterans, their children and their families, the better positioned we are to take responsive actions and set better public policy.

**Mr PEDERICK:** Has the minister been briefed by the Veterans' Advisory Council on the Northern Adelaide Veterans' and Families' Hub and, if so, can you provide an update?

**The Hon. J.K. SZAKACS:** I have not received a briefing from the VAC, but that is not surprising as it is a federal project and a federal matter. I can advise the member that Lives Lived Well has been awarded the contract to run the northern space. That was before my time as minister. I might just double-check, if I can, about whether there is a confirmed date on that. I am advised that there is ongoing consultation regarding that, particularly with contracts, so I do not have a time frame or secure dates to be able to inform the member.

**Mr PEDERICK:** I refer to Budget Paper 4, Volume 1, page 159, targets 2024-25, dot point 3, support local veteran programs. What is the minister doing to support the Repat Veteran Wellbeing Centre, given volunteers have been hit with an increase in rent by SA Health at the Repat site from \$1 per year to around \$13,000 per year?

**The Hon. J.K. SZAKACS:** I was very pleased, in the first couple of days after being sworn in as minister, to pay the Plympton Veterans Centre a visit. They do outstanding work, particularly as is reflected of all members of the community who dedicate their time and effort on an almost exclusively volunteer basis to the advocacy and wellbeing of their fellow veterans.

I will acknowledge, just for a very brief moment—as I have in parliament—the passing of Bill Hignett, who was an outstanding human being and a great advocate for the veteran community, and someone who was almost singularly instrumental in the success of the Plympton Veterans Centre, being an anchor tenant of the Repat.

I am aware of what has been the invoicing and matters that have been now pretty succinctly aerated between SA Health and the Plympton Veterans Centre. I received advice from members of the Plympton Veterans Centre, and have subsequently provided advocacy on their behalf regarding the back payment of lease or of invoicing, and I am pleased that that matter has been resolved.

I was also advised very recently that the engagement continues with SA Health, with the support of the Minister for Health, and it is my view that I would be most pleased to see that resolved as quickly as possible. I would be very supportive of any outcomes that continue the longstanding support that the state government has had for the success, the work and the placement of the Plympton Veterans Centre.

**Mr PEDERICK:** On the same budget line, why is the government making access to areas of the Repat precinct difficult for veterans and volunteers assisting veterans?

**The Hon. J.K. SZAKACS:** That is a good question, and it has been one of a couple of matters that I have been made aware of more recently. I have asked for advice through the appropriate channels to SA Health. SA Health is, of course, the tenant of that site, and I think any more specific questions—I am not sure if this was asked of the Minister for Health, but I am continuing to follow up.

**Mr PEDERICK:** Do veterans have full access to the facilities such as the hydrotherapy pool and gym, where veterans find camaraderie to help with mental health as well as physical health at the Repat site?

**The Hon. J.K. SZAKACS:** I am advised that yes, they do have access to facilities.

**Mr PEDERICK:** But full access? It was indicated that some of that access has been restricted in recent times.

**The Hon. J.K. SZAKACS:** I am not in a position to be able to provide advice to the member on what is largely a subjective question about full access. I am advised that there is access, and I am advised that the engagement with the Plympton Veterans Centre and SA Health is ongoing. It is very important, obviously. We need to ensure that the Plympton Veterans Centre and the veterans they support do have access that is sufficient for their needs. I am just not in a position where I can qualify or otherwise the breakdown of hours or the breakdown of scheduling, but I am advised that, yes, they do have access. Obviously, there is work to be undertaken to ensure that access meets needs.

**Mr PEDERICK:** How does the government justify charging \$13,000 rent at the Repat site for the 40-plus volunteers who offer wellbeing as well as compensation counselling and helping veterans negotiate bureaucracy and paperwork?

**The Hon. J.K. SZAKACS:** I would refer the member to the Minister for Health on that question.

**Mr PEDERICK:** Interesting. I will go to Budget Paper 4, Volume 1, page 160. I am going to use the total expenses line. Was the recent funding allocated to the Colonel Light Gardens RSL of \$50,000 to fix their electrical switchboard issues taken from the total expenses line or was it taken out of government contingency funding? Mind you, it is funding that they need.

**The Hon. J.K. SZAKACS:** The issue or matter that the member refers to is not within my portfolio or not one that we have administered or funded.

**Mr PEDERICK:** So it has come out of government contingencies?

**The Hon. J.K. SZAKACS:** Sorry, if I can just get the member to repeat that question.

**Mr PEDERICK:** It has only recently been publicised about the \$50,000 needed for the Colonel Light Gardens RSL. There was a cheque presentation down there to fix their electrical switchboard issues. Was that taken from the total expenses line or, more likely, was it out of government contingency funding?

**The Hon. J.K. SZAKACS:** If the member can perhaps provide more information to me, but I have provided my advice to him that it is not a matter we have administered.

**Mr PEDERICK:** I refer to highlights 2023-24, page 159, in the same budget book, dot point 1. When was the Veteran Community Security Framework delivered and can you outline what it involved?

**The Hon. J.K. SZAKACS:** I can advise, directly to the member's question, that the Veteran Community Security Framework was a budget initiative from 2023-24 and was fully funded in 2023-24 across forward estimates. The Veteran Community Security Framework is not a standalone program or a standalone budget initiative. It funds a series of programs and a series of initiatives that are either administered by Veterans SA or are funded by Veterans SA. If the member would wish, I would be happy to provide some additional advice now on those programs that are administered or supported as a result of that, but I am in his hands.

**Mr PEDERICK:** Yes, I am happy to hear about some of those programs, absolutely.

**The Hon. J.K. SZAKACS:** I can provide some examples. Engagement in regional communities is a key focus. I can let the member know that the first Copper Coast Veterans' Forum was held in May 2024 in Wallaroo. This was planned in response to feedback that was received by Veterans SA from the community. I can advise that over 40 local veterans attended the forum, in addition to family members and other members of the community.

Further, employment-focused Community Connection events were held in April 2024 in partnership with Flinders University's Open Door Initiative and the good folk at MESHA. The information session covered research undertaken and programs available to support veterans to find employment following service. The program included a fantastic line-up of speakers from MESHA, Open Door and Phoenix Australia.

Further, there were additional measures in 2023-24 that have been fully funded and begun, including the Veterans SA Career and Business Mentoring Program, the Cowork Coplay program, the SA Veteran Employer Network and the support for the 2024 Power Community Limited ADF Veterans Program, which I saw firsthand just a couple of weeks ago, and they do an outstanding job. I say that as a proud local member, but as a long-suffering Crows supporter.

**Mr Pederick:** I don't think Port are doing that well either.

**The Hon. J.K. SZAKACS:** No. I cannot say that; I have to be Switzerland. There was also the delivery of the Military and Emergency Services Health Australia's MindRight, StoryRight and cultural awareness programs; the regional outreach, which I discussed already, and the community connection events, which have also been fully implemented. They are, most importantly, ongoing initiatives and ongoing programs.



**Mr PEDERICK:** You mentioned dot point 2: how many people are participating in the 2024 Veterans SA Career and Business Mentoring Program that runs from April to November?

**The Hon. J.K. SZAKACS:** I can advise that there are 20 pairs participating in 2024, 40 in total, and quite pleasingly, which is really a testament to the great collaborative nature of the veteran community, we were oversubscribed for mentors. The program commenced in April and will conclude in November 2024. Two programs are on offer, focusing on career and skills development, and business and entrepreneurship. The opportunity to participate in the program was again extended to current and former serving people, as well spouses and partners, which is a really important part of the framework.

In 2024, Veterans SA has integrated monthly online workshops into the program. The themes for these workshops have been chosen based on the direct feedback from participants and the community, so importantly we know that the agency is delivering on the needs of the community in this program.

**Mr PEDERICK:** On the same budget line, under highlights, I note that the regional support section on the Veterans SA website has not been updated lately, as it mentions, 'We are currently considering locations for our 2023 outreach programs.' Is the website regularly monitored, and how often is it updated?

**The Hon. J.K. SZAKACS:** I might take that one on notice and provide advice back to the member.

**Mr PEDERICK:** That is fine, thank you.

**The Hon. J.K. SZAKACS:** It is safe to say that in the meantime I will make sure the website is updated.

**Mr PEDERICK:** Thank you. Obviously noting that we have the Veterans SA acting director here today, when will the Veterans South Australia director role be filled?

**The Hon. J.K. SZAKACS:** I can advise that the recruitment has been completed by Defence SA and that that is imminent. I am not in a position to inform the chamber of the successful applicant, but I will certainly be in a position in the very, very near future to do that. I can let the member know that it has been completed. It was a process that was run by Mr Opie, and that has been finished.

**Mr PEDERICK:** Thank you. Highlights continued, dot point 3: what outreach methods are used by Veterans SA and how do they differ from metropolitan outreach compared to regional outreach?

**The Hon. J.K. SZAKACS:** I did refer to a few examples a little earlier on in my response to the member. I will just note those, but also provide some additional information that regional outreach visits have been conducted on the Copper Coast, Yorke Peninsula, Whyalla and Port Lincoln. The visit to the Copper Coast as engagement ultimately resulted in the Copper Coast Veterans' Forum, which I referred to a moment ago. It is a good example of engagement and action—really important—and, if I can just say, a hallmark of the work of our wonderful team at Veterans SA. They are really action focused and really outcomes focused and, while a relatively small team in comparison to the rest of government, they are doing a wonderful job.

Locally, in respect of the member's question regarding metropolitan engagement, there is similar geographic based engagement. There is sector and service organisation cohort based engagement, and there was engagement on the consultation on the creation and preparation of the 2024-25 strategic plan, which I have yet to receive a final briefing on but will be in a position to release the update on in July-August this year.

**Mr PEDERICK:** I will go to targets 2024-25, page 159, dot point 2. I note the budget did not contain any specific funding towards a dedicated Korean War memorial in Adelaide despite the advocacy of Colonel Peter Scott. Is funding for this memorial something the state government is considering in line with its target of supporting the community to commemorate service?

**The Hon. J.K. SZAKACS:** I thank the member for his question. I certainly note the ongoing engagement that Colonel Scott has had with the former minister and also with me as the incoming minister. I can confirm that that is certainly a body of work that we are investigating, and we are doing that through direct engagement with Colonel Scott, with the community, but also more broadly with other parts of the community, including potentially councils and civil society with respect to a way forward on that.

I note that there is not a standalone Korean War memorial in South Australia. Whilst a contemporary conflict, it has now been many, many decades since. I think there is certainly a commitment that we make as a government to ensure that the veterans from Korea have no reason to consider that they are forgotten. Albeit at various times that war has been considered the forgotten war, the veterans are certainly not forgotten.

The member is correct in his proposition that there is no funding in this year's budget for a memorial, but the engagement and the—what is, if I am frank—elementary engagement with Colonel Scott and the broader community has begun.

**Mr PEDERICK:** How much engagement was there with the recent MindRight and StoryRight workshops that were held for veterans?

**The Hon. J.K. SZAKACS:** I am advised by the acting director that about six people attended each of those. They were a little undersubscribed; I think capacity was about 12. Veterans SA is undertaking work now for later in the year to re-engage and to further commit on this, particularly around timing. It may be obvious from the number of people who were able to attend that there may be more appropriate times in the day or schedules to run these. Six people attended, I think, totalling 12. It is a full-day program, which in itself is a significant outlay and commitment of time, but the agency remains engaged on this.

**Mr PEDERICK:** Thank you. I note that Veterans SA announced a \$240,000 grant earlier this year to support the continuation and expansion of the Port Adelaide Australian Defence Force (ADF) Veterans Program. Can you outline what this program involves?

**The Hon. J.K. SZAKACS:** I can, in the time allowed. The program run by Power Community Limited was funded again in 2024-25. The program seeks to address challenges associated with mental health, transition, wellbeing, and relationships. This funding allows the program to continue to expand and build on the evidence base for the need for this type of program, and to develop a more sustainable model into the future.

One thing that certainly was clear to me—and which I really appreciate—is that I saw firsthand, and was advised, that the number of individuals, from day one to the final session I was able to attend, held really firm. It is not unreasonable to expect there to be a bleed of people out of the program—out of any program, for that matter—but the numbers that held to this were really strong.

I think that is a testament to the appropriateness of the delivery and to the engagement of Power Community, but also to the strong support that the former minister, in executing this, provided to the efficacy of the program.

**The CHAIR:** The time allotted having expired, I declare the examination of the portfolio of Veterans SA completed. The examination of the proposed payments for Defence SA are now complete. Once again, I thank the opposition for their contribution and thank the minister for his response, and I thank the public servants who do so much of the behind-the-scenes work. I thank all of you.

*Sitting suspended from 12:32 to 13:30.*

**DEPARTMENT FOR TRADE AND INVESTMENT, \$125,192,000**

**ADMINISTERED ITEMS FOR THE DEPARTMENT FOR TRADE AND INVESTMENT, \$1,799,000**

**ADMINISTERED ITEMS FOR THE DEPARTMENT OF TREASURY AND FINANCE,  
\$4,305,351,000**

**Membership:**

Mr Telfer substituted for Mr Batty.  
Mr Fulbrook substituted for Mrs Pearce.  
Ms Hood substituted for Ms O'Hanlon.  
S.E. Andrews substituted for Ms Thompson.

**Minister:**

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

**Departmental Advisers:**

Mr C. Menz, Chief Executive, Renewal SA.  
Mr S. Wingard, Executive Director, Residential Project Delivery and Assets, Renewal SA.  
Mr M. Wood, Executive Director, Commercial and Business Services, Renewal SA.  
Ms R. Boulton, Director, Office of the Chief Executive, Renewal SA.  
Mr D. Reynolds, Chief Executive, Department for Trade and Investment.

**The CHAIR:** Welcome back to today's estimates committee hearing. 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, as previously distributed is accurate?

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

**Mr TELFER:** I can confirm.

**The CHAIR:** Excellent. I remind members that all questions are to be directed to the minister and 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.

Briefly, I advise that 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 6 September 2024. Members unable to complete their questions may submit them as questions on notice for inclusion in the assembly *Notice Paper*.

The rules of debate in the house apply in the committee. Ministers and members may not table documents before the committee, but may supply them to the Chair for distribution. I will allow both the minister and the lead speaker for the opposition to make opening statements of about 10 minutes each, should they so wish.

I will now proceed to open the following lines for examination. The portfolio is Renewal SA, and the minister appearing is the Minister for Housing and Urban Development. I declare the proposed payments open for examination. I call on the minister to make an opening statement, if he so wishes, and to introduce his advisers, and then the lead member for the opposition can also make an opening statement, if he so wishes.

**The Hon. N.D. CHAMPION:** I will make a very short opening statement just to introduce the officers, I suppose, of Renewal SA: Mr Chris Menz, Chief Executive Officer; Mr Michael Wood, Executive Director, Commercial and Business Services; Mr Shane Wingard to my right, Executive Director, Residential Project Delivery and Assets; and Rose Boulton, Director, Office of the Chief Executive. Behind me is Mr David Reynolds, Chief Executive, Department for Trade and

Investment. While I have an enormous pipeline which I could relate to members, I think it is probably best just to get on with questions.

**Mr WHETSTONE:** A super pipeline.

**The Hon. N.D. CHAMPION:** If you say so, member for Chaffey.

**Mr TELFER:** Likewise, I will not do an extensive opening statement. I have never had a super minister in an estimates process before, but can I just thank the staff who are with the minister for the work that I am sure has been going on in the background to prepare for such a super important portfolio area, which is really at the forefront of what I believe should be, and it seemingly is, the government's priority. It is something they need to get right because if they get it wrong, there are going to be severe negative outcomes for us as a state. Minister, I turn your attention to Budget Paper 5, page 67. Referring to this section specifically, I will start with the item around the Greater Seaton renewal. It states that:

This initiative provides \$425.3 million from 2023-24 to 2034-35 to redevelop South Australian Housing Authority...land at Seaton.

This is expected to deliver 1 315 dwellings, including 388 social and 197 affordable homes.

Minister, with a projected investment of \$425.3 million from 2023-24 to 2034-35 for this project, what is the plan to ensure that this substantial budget allocation will deliver the promised 1,315 dwellings on time and within budget?

**The Hon. N.D. CHAMPION:** Obviously, Seaton has been a project in, I suppose, the government's eyes for some time. There is a small demonstrator site that the previous government had sort of begun. We have rescoped that demonstrator site to have more public housing—I am happy to provide the member with the figures—and to have what we think is a better configuration of density and open space and a better design overall. That demonstrator site will be, if you like, the first stage of what is a staged program that has a budget and a timeline attached to it. We are very confident of meeting the time frames.

Obviously, it is a complex site because—and we might talk about this later on in regard to the Housing Trust—there are a number of tenants who we have engaged with who have to be relocated as part of that process. Obviously, we have to be sensitive about that and careful, but we are confident that, in the staged processing, we can get all of that right and liberate what is very old housing stock and land into a better community and a more contemporary urban design. We are confident that we can meet all the time frames and meet the budget as well.

**Mr TELFER:** What specific measures will be put in place to avoid delays and cost overruns?

**The Hon. N.D. CHAMPION:** Renewal has been engaging with the Housing Trust to already lock in a relocations team, and that is probably the biggest piece of work. From memory, I think there is a flyer being distributed, although we can confirm this in the Housing Trust hearing later on. Flyers were distributed, phone calls were made and a doorknock was done, so we have a pretty high level of engagement with those tenants around that relocation. That is probably the biggest risk factor. The other risk factor that Renewal is handling is essentially the civil infrastructure, and they are in the process of locking in times, rates and contractors up-front in order to make sure there is capacity in the pipeline to do the civil works as we go. We are going with a staged process, and we are confident we can meet it.

**Mr TELFER:** Minister, you spoke about a rescope in terms of more public housing. You referenced that you can provide those numbers. Can you do that?

**The Hon. N.D. CHAMPION:** Yes, I can. If you look at the demonstrator site, there was a reduction in public housing on the demonstrator site, and I will get you the exact figures when we get to the Housing Trust component of the hearings. Essentially, what we are doing on that whole Seaton renewal site is going for one-for-one replacement of public housing, and then we have a component of affordable sale and a component of market sale to get us to the 1,300 figure.

**Mr TELFER:** As far as this Greater Seaton renewal project is concerned, when do you expect the construction to begin?

**The Hon. N.D. CHAMPION:** With stage 1, civil construction has been completed and sales are underway. With regard to stage 2, we are beginning that work now.

**Mr TELFER:** Sales are underway. When do you expect construction of houses to begin?

**The Hon. N.D. CHAMPION:** You have to sign sales contracts and then you have to get builders. With that portion of it, there will be public housing that is being built and there will be a schedule for that, which we can run through a bit later on. From what I understand, actual house construction will start from the end of the calendar year.

**Mr TELFER:** How will Renewal SA ensure that the planned 388 social and 197 affordable homes in the Greater Seaton project are genuinely accessible to low income families and individuals? What criteria will be used to define 'affordable' in this context for this Greater Seaton project?

**The Hon. N.D. CHAMPION:** Public housing is public housing and by its definition—and, again, there is a whole method for measuring category 1 and 2—that is self-evidently affordable. Affordable sales are under the HomeSeeker website. The way that works is there is an interaction between Renewal and the South Australian Housing Trust, which has the HomeSeeker website. They get listed on the website for 60 days and I would certainly encourage anybody who is looking for a house to get on it and buy one.

**Mr TELFER:** How often is this 'affordable' definition revisited? Is it periodically, given the ever-changing nature of this space?

**The Hon. N.D. CHAMPION:** This is one of the difficulties with a hot market. One of my first jobs was that I had to lift that affordable sale rate. It is not something any minister wants to do but you have to follow the market because if the affordable sale figure gets too out of whack with the rest of the market, it impedes projects—not just government projects but community housing provider projects and private projects as well. So in order to bring on supply, you have to have a realistic affordable sale price.

We are one of the few states to have an affordable housing overlay. It is not perfect by any measure, but it is there and it has provided affordable sale into the market for the better part of I think about a decade now. There is an interaction between, obviously, the planning system, Renewal SA, which puts these obligations on its projects, and then the HomeSeeker website, which developers have to list properties on, and they have to access that. If I am being frank with you, we will probably have a good look at how that is operating, and that is flagged in the government's road map.

**Mr TELFER:** With the rising cost of construction, what steps are taken to guarantee that the housing remains affordable throughout the duration of the project?

**The Hon. N.D. CHAMPION:** Periodically, that affordable sale price is lifted by the minister, taking into account market conditions. If you wanted the likelihood of how I would treat that, I will probably look at it annually while we have such a hot market because, like I said, it is not really good for developers, community housing providers and others who are utilising the affordable housing overlay to get that too out of whack with the market; in fact, it impedes projects and makes them hard to make feasibility stack up. So I am probably going to do that annually in order to make sure there is supply. In a hot market where prices are lifting, the affordable sale price has to lift as well.

**Mr TELFER:** Can the minister provide a breakdown of how the \$425.3 million earmarked/allocated for the Greater Seaton renewal project will be spent over the next decade, specifically how are the funds divided among planning, construction and other project components?

**The Hon. N.D. CHAMPION:** It is a whole-of-government figure. Renewal is spending \$187.2 million, and that is for a land acquisition, master planning and early consultants, demolition and site clearance, there is a little bit for remediation, Indigenous Aboriginal heritage, civils and construction is around \$88.8 million, professional fees, construction of dwellings, an allocation for parks, reserves, underground power and art, land division costs and project contingency, project management and full-time equivalents. Then there is a figure for SAHA, which we might discuss later, of \$218.5 million from them, which is about the build of public housing.

**Mr TELFER:** I appreciate the headings. Is the detail something that the minister is able to take on notice to provide to the committee?

**The Hon. N.D. CHAMPION:** I will take it on notice, but the only thing I would be a bit concerned about—and I am happy to give the opposition a briefing—is that I am always a bit reluctant to tell people what you might be spending in particular categories, because we are going out to the market for some of that. You want to keep your powder dry, make sure people sharpen their pencils when they are offering their services to the government agency.

**Mr TELFER:** I am sure those numbers, which are included, are not so specific as talking about the different tenders. The general categories you spoke about—

**The Hon. N.D. CHAMPION:** I will take it on notice and what I can appropriately release we will.

**Mr TELFER:** Thank you, minister. What specific measures have been implemented to monitor and control spending throughout the duration of the project (it is a long-term project, over a decade) to prevent any budgetary misuse or overspending?

**The Hon. N.D. CHAMPION:** First, my agency would not misuse budget. I can understand why the member would ask about project overruns, because these are complex urban renewal projects, so one has to be—

**Mr TELFER:** I was not using 'misuse' in a nefarious way.

**The Hon. N.D. CHAMPION:** I know, of course; I just wanted to uphold the professionalism of my department, not make a reflection on the member's use of the word. Urban renewal is costly and complex and these projects are difficult. If they were easy, someone would have done them a long time ago. One of the things Renewal does have is a pretty strong set of internal project delivery arrangements, which endeavour to measure what we are going to spend and what we are going to spend it on so there are not any surprises. We have had a lot of meetings about this and we will continue to have meetings about Seaton—but not just Seaton, about Noarlunga, Bowden and all these other projects. We will endeavour to deliver them on time and on budget, and of course it all comes to Public Works and the parliament as well.

**Mr TELFER:** Minister, can you provide a guarantee that throughout the life of this development, over 10 years, that the promised social and affordable housing units will not be reduced or compromised during the course of the project?

**The Hon. N.D. CHAMPION:** This government, and I think we have made this clear in both action and deed, stopped the sale of public housing, and we have built more. On this site, we wanted a one-for-one replacement. We did not want to see a decline or diminution of public housing. That is incredibly important. Public housing is very important to the social fabric of our community, and we have to have public housing that is new, well formed and well created for the people and the cohorts who use it. It also has to be well managed so that people want to live next door and think it is valuable for their community as well.

We have put a lot of thought into Seaton, and we are going to come up with, I think, not just the right number—and the right number is one-for-one replacement—but also the right form of public housing. One of the issues we have at the moment is that public housing that was built in Seaton a long time ago, or built in Elizabeth a long time ago, were small houses on big blocks and they do not suit the clients and the tenants of the Housing Trust anymore because the houses are ageing and often so are the tenants.

We have to have not just one-for-one replacement but better forms of public housing. I am happy to tell you my views about that later on, but it is very important to this government that we have the Housing Trust, that we have renamed it, we have taken it back, and that should be an indication to the community about how serious it is.

When we created the new portfolio and we put Renewal next to the Housing Trust, next to SA Water, next to planning—but particularly for Renewal and the Housing Trust, these are organisations with fraternal bonds and fraternal missions, not the same mission, but they are agencies of the state that can create public housing, affordable housing and mixed-use communities that are an asset to the state and that are great communities for people to live in.

**Mr TELFER:** I will move on to—on the same page, page 67—the Noarlunga Downs renewal allocation, an initiative that, as it states, provides \$150 million from 2023-24 to 2030-31 to consolidate and redevelop various government sites in Noarlunga Downs. With this budget that I spoke of, \$150.2 million allocated to deliver 626 dwellings by 2030-31, what measures will be implemented to manage and mitigate the risks of project delays and cost increases for this development at Noarlunga Downs?

**The Hon. N.D. CHAMPION:** I would not mind saying a few words about Noarlunga. I think it speaks for a government—I am not making a partisan point, but we are in a housing crisis and we had land. I mean, it is hard to believe, but public housing land which was probably bought a long time ago, and land which was held by another government portfolio, adjacent to a train station, an electrified train line, and a shopping centre, that was sitting idle while there was a housing crisis.

I can understand why the opposition might ask about risk and escalation and have you dotted your i's and crossed your t's, but there is a risk in not doing anything as well. The risk is that people do not have homes. In the south we have a massive land supply problem. Because of the very good decisions to protect McLaren Vale and other things, we have restricted land supply in the southern suburbs. We have done our best to bring on land supply in Hackham and we are redoing Aldinga and now Noarlunga, but that is a very important project.

Renewal puts in place project management arrangements. They are very sophisticated. They have accounted for a cost escalation, and we just have to get on with it. Of course, there are elements of risk with all these projects, but we manage the risk and we endeavour to come up with really good mixed-use projects that, if you like, sweat public transport infrastructure that we have already spent a lot of money on.

**Mr TELFER:** What exact government sites will be redeveloped at Noarlunga Downs?

**The Hon. N.D. CHAMPION:** There is land coming from three government departments. First of all, there is SAHA land. I could provide a map for the honourable member on notice.

**Mr TELFER:** For the committee.

**The Hon. N.D. CHAMPION:** Yes, for the committee. There is SAHA land and there is land held by the Office for Rec and Sport and there is a bit of DIT land as well.

**Mr TELFER:** How will the progress of the Noarlunga Downs project be monitored and will this progress be reported to the public to ensure transparency and accountability?

**The Hon. N.D. CHAMPION:** Of course, these projects all go to the Public Works Committee, and I would expect we will be back here at estimates in a year's time talking about them as well.

**Mr TELFER:** Indeed, and maybe over the next eight years or more, minister. How does the minister plan to mitigate, once again, potential cost overruns and ensure the timely delivery of the Noarlunga Downs project? It is potentially more nuanced than Seaton. It has its advantages, but also its potential challenges.

**The Hon. N.D. CHAMPION:** We are just waiting on cultural heritage at the moment for that process to be undertaken. That is occurring now, and it is an important process in Noarlunga because of the nature of the site. Apart from those considerations, it is actually a pretty straightforward site. There are no existing houses and it is a fairly standard subdivision, which makes it all the more complexing why governments of both persuasions had not done it beforehand, but it is a great opportunity to have.

I do not know if it is Public Works Committee or estimates, but I take an interest in all these projects. I meet with Renewal SA every week. I meet with my chief executives every week. We pretty regularly go through each project. On this one, I would not anticipate that the risks are high, but we will know year by year and Public Works Committee report by Public Works Committee report.

**Mr TELFER:** That being the case then, when does the minister expect the construction of the 626 dwellings to begin?

**The Hon. N.D. CHAMPION:** Taking a step back, I neglected to say that we have a very good Chair of Renewal SA, Stephen Hains, and a pretty interested board as well. There are multiple

layers: board, management, minister, cabinet, public and parliament. These projects will be examined as we go, and we are in an environment where there are demands on skills and demands on materials. We have accounted for those, but it is important that we understand they are there. Of course, many of these projects have a private component, so whilst we are not at the mercy of builders, we have to work at getting the building industry's capacity up as well. So it will be civil construction in 2025 and then home construction towards the end of 2025.

**Mr TELFER:** So your expectation is that by the end of 2025 construction would have started?

**The Hon. N.D. CHAMPION:** Not of all the houses. The nature of these projects is that they are long-lived. I guess one of the things is that you cannot click your fingers and have 600 houses or apartments there.

**Mr TELFER:** I thought you were super.

**The Hon. N.D. CHAMPION:** As I have said to you before: ordinary minister, super department. That is what we are trying to build here. It is bigger than one person or one chief executive. I hope to put together a government department which will serve the state of South Australia, and I hope that members opposite are so impressed with its performance that you keep it, should you ever occupy the treasury benches.

**Mr TELFER:** As far as this project goes, what steps are being taken to ensure that the construction quality meets the long-term durability standards, to prevent future costly repairs?

**The Hon. N.D. CHAMPION:** We have the National Construction Code, and there has been a bit of public debate about this. We are going to seven stars thermal efficiency on 1 October. We are also putting in place liveability standards, the silver, and they are both important. Having homes that are not hot boxes is very, very important. I was in a Trust home visiting a tenant the other day, in a place that was built in the 1970s, and it was freezing cold. There is a lot of nostalgia about some of the houses built in the 1960s, 1970s and 1980s, but they are hot and cold boxes.

Everything that is constructed under six stars is a lot better, and you know it. Seven stars will be better again, and of course liveability is very important for ageing in place and very important for the NDIS, because things like having a bathroom wall which can have a handle put on any part of it—which is part of the National Construction Code liveability standards—just saves you an enormous amount of time and trouble, rather than trying to find studs or having someone rip the bathroom apart trying to install a handle. It is very practical things like that.

We will meet those standards. There will be some properties which we have exempted from those standards, on very small blocks. We have put some exemptions into place. We still have to meet six stars and the like, but it is much harder to get to seven on a small block where you cannot mess around with the orientation. We have made some practical considerations with the Master Builders and the HIA, but the vast majority of new stock will be built to the new standard. That goes for government projects and for private building as well.

**Mr TELFER:** What proportion of those properties are going to receive one of these exemptions as a percentage of the development?

**The Hon. N.D. CHAMPION:** It is blocks with a frontage of less than 10 metres, so we would have to do an analysis. I do not have any trouble doing that and letting you know, but I will take that on notice because we want to get that right. That will be true of all these projects. Apartment buildings are not in that category; they will all be built to the new standard.

**Mr TELFER:** Is there a risk with the increased expectation, as you talk about with the construction code changes, that the additional cost is going to put houses built under this code further away as far as affordability goes for the average South Australian?

**The Hon. N.D. CHAMPION:** I guess we are sort of getting out of Renewal territory, and we are a bit out of the budget—you did not give me a budget line—but I am happy to talk about it, because it is a delicate balance.

**Mr TELFER:** As it pertains to Noarlunga Downs then?



**The Hon. N.D. CHAMPION:** As it pertains to Noarlunga Downs, but I do not mind arguing it more generally. It saves me answering it, perhaps, in Planning, which is coming next. There is always a difficulty. It is a bit like when everybody runs around talking about tiny homes or modular homes and I say, 'What, trailer parks?' and they say, 'No, I didn't mean that.' The greatest risk, I think, is to have a great piece of land, a great project, and undervalue the housing on it. We do not want to do that, and we do not want to build housing that cannot stand a warming climate or a hotter climate, or cannot handle an ageing population.

We have to make these changes. They were put in place and flagged under previous federal governments and previous state governments. I have given the industry a year longer to implement them, longer than other states. We have had other states join that program, like Melbourne, put it off to our date, and I think Western Australia is coming a year after us.

It is important to keep in line with the National Construction Code, because of climate and because of this ageing population, but we have put sensible exemptions in place for small blocks, because we had long and pretty detailed interactions with Master Builders and the HIA in order that some housing categories did not become prohibitively expensive.

The other thing we have done and what was announced in the road map is that, going forward, we want a stable and certain environment for the building industry, so we have said we will not make any further changes beyond those outlined on 1 October this year without industry consent. So if, frankly, some commonwealth minister decides—and it is typically energy ministers, who are trying to do demand management, which is less of an issue for this state than it is for Sydney, Melbourne and Brisbane—then they can go ahead and do that and show us all how they get to eight stars, but we will not be making further changes, because we want the industry to digest these changes and then get on with building houses.

**Mr TELFER:** Minister, you refer to the National Construction Code. In the context of these two projects in particular that we have been talking about, the council areas that these are situated in both have policies relating to environmentally sustainable design which exceed the minimum standards of the National Construction Code. Is the government intending that these houses be built in accordance with the minimum construction codes in the NCC, or will they be built taking into account the objectives of the City of Onkaparinga and the City of Charles Sturt?

**The Hon. N.D. CHAMPION:** Overall in Noarlunga we are meeting five stars, I think, for the whole project, and we are confident that that is in line with the council's desires. So I do not think that will be an issue.

**Mr TELFER:** What about in the City of Charles Sturt with the Greater Seaton project?

**The Hon. N.D. CHAMPION:** I would have to check about that. I have not had any representations from council about that, and I think from what I understand they are pretty happy with what we are doing in Greater Seaton, but I am happy to take it on notice. Nearly anything, I might add, is going to be greener than what is there at the moment.

**Mr TELFER:** Indeed.

**The Hon. N.D. CHAMPION:** It will be a leap forward.

**Mr TELFER:** Six stars would be as well. The line to continue with regional housing goes across pages 67 and 68—that initiative that provides \$30 million over three years to provide additional assistance for regional housing. With that allocation over the next three years, how will the minister ensure that these funds are effectively utilised to address the critical housing needs in regional areas?

**The Hon. N.D. CHAMPION:** I do not mind telling you one of my proudest achievements as a person who grew up in regional South Australia and went to Kapunda High. I think country South Australians are great people. They have not always voted for me. Sometimes they did, when I was the federal member—not that one allocates funds on those bases. I think regional South Australia is facing a real crunch, with zero rental vacancy rates in some towns, and Tatiara council and all the other councils who are out there are really crying for help. I regard the Office for Regional Housing to be a very real reply to that.

The good news is Matt Hunt from the Office of Regional Housing has done a great job and really hit the ground running. It says in my briefing, 'All 30 houses are scheduled for completion by Q3, 2025.' When the Premier and I went to Port Augusta and went on site and were talking to the building company—I cannot remember who was there with us; it might have been Matt Hunt—there were two nurses and two coppers who were going to live there. So it is good work.

We have put a couple of regional calls out to work with local government, and we want them to get involved. It is really important for them to utilise their balance sheets and their local knowledge in a good way, and we are keen to de-risk their involvement and help them, because it can be daunting for a local council to get involved in these things. I am pretty confident that we will get some benefit out of that.

**Mr TELFER:** You are referring, in your comments, to the key worker housing scheme, but this is obviously broader than that.

**The Hon. N.D. CHAMPION:** That's right.

**Mr TELFER:** What specific projects are being prioritised under the Regional Housing Initiatives Program, and how will you, as minister, measure their success?

**The Hon. N.D. CHAMPION:** The good news is that we are just in the last throes of shortlisting it, and the board is going to have a look at the allocation. It is oversubscribed—and I do not think that is any surprise.

**Mr TELFER:** Who would have thought?

**The Hon. N.D. CHAMPION:** That's right, of course. That is an indication of local government getting in the mix, too, and that is tremendous. I cannot speak more highly of the LGA president, and all the regional councils have been very practical and considered contributors to this area. How am I going to judge it? Well, how does anybody judge these projects? We are all judged by our works, aren't we? I am sure you will judge me by my works, and my agency by its works.

**Mr TELFER:** You do not have any performance indicators you are going to use to measure the success of—

**The Hon. N.D. CHAMPION:** There is an army of performance indicators, and you know this. You know that Renewal SA will absolutely be picking the projects that give us the biggest bang for our buck. Will we hold local government accountable? Yes, sure. Will we hold ourselves accountable? One hundred per cent. However, I am sure Mr Menz is going to tell me the mechanism he has in place.

The point is that this is a program this government created. All the members on the opposite bench are from regional South Australia, and you all know the need for this, and you all know how we will measure it—in a very practical, country sort of way. Did we build houses? Have we put people in them? When we say we are going to fund project X and it is going to produce X number of houses—well, there is nowhere to hide in a country town, is there? You will all know whether it is done or not.

**Mr TELFER:** With the criteria that is going to be used—and you are saying it is at the shortlist stage at the moment—I note that you articulated a criteria of 'bang for your buck'. Is this the main measure point? Is it purely around what money you can leverage out of local government or other communities, or is there other criteria that is going to be used to select the projects under this initiatives program? Is there a level of accountability so that the minister can provide reassurance or evidence that the projects that are chosen are the most urgent or beneficial?

**The Hon. N.D. CHAMPION:** We have made the criteria for the RFP public, but we have not told local government what the weightings are on each of those criteria—and we would not do that. That is one of the ways we drive value. We are not trying to get local councils, not trying to twist their arm or anything. What we are trying to do is sift out the best projects across regional South Australia that are going to deliver the most housing. Where is the most need?

There is publicly available criteria, and you can go and have a look at them. I am happy to take it on notice and download it off the website. However, every conference call I have done with local government, they have come to me and to the Office for Regional Housing with projects for

their town, and they are all focussed on bang for buck, they are all focussed on their housing outcomes, so it is not unsurprising that we are as well.

**Mr TELFER:** Obviously, it is a pretty dynamic sort of space. Off the top of my head there are over 50 regional councils right across South Australia. Is there a risk through this process, or how would you mitigate risks of potential conflict of interest with local government and developers, trying to 'sift out', as you say, the projects that are most suitable—not just that are going to deliver the most houses or the best places, but the actual projects that are most suitable to those local communities?

**The Hon. N.D. CHAMPION:** These are not the exact ones but it is need, volume, the amount of capital, security of tenant and user. So they are some of the criteria we are using and also the feasibility. We used Bordertown as a model. To give you some, I suppose, faith in the process, Tatiara council, Bordertown, went and bought a massive piece of land in the centre of their town. I think it was 60 blocks.

I cannot speak more highly of Bordertown. You go to the industrial park there and there are all these young diesel mechanics and people starting their own businesses. This is a heartland of regional South Australia. They are really dynamic people who are doing things, and the council wants to do things too. So they bought this piece of land in the centre of town—the council owns it, 60 blocks—and what we did is we bought five blocks out of the first 15 to de-risk that first stage because the most risky bit of any project is the first stage.

We are participating to de-risk the project and then the council is selling the other 10 blocks to private owners and businesses who want to find a house for their employees, and that will get that project started. Once it is started, and you can show a bank and your ratepayers and everybody else that you can sell the land, the rest becomes less risky as time goes on.

**Mr TELFER:** So those are the sorts of projects which will be prioritised under the regional housing initiative: government buying blocks to de-risk?

**The Hon. N.D. CHAMPION:** As you correctly point out, I think with local government partnering with developers, there are risks involved in that, self-evidently.

**Mr TELFER:** Definitely.

**The Hon. N.D. CHAMPION:** I am not ruling it out, but it is probably always better—we use Bordertown as an example because we think that where they can use their land or Crown land, which they can buy in a way that is positive, those projects tend to be less risky. I might add that there is a whole ROI. I am not involved in picking them. It is picked by the management of Renewal SA. It goes to the board and, of course, we pride ourselves on having good processes but Bordertown was the example that we used to local government.

**Mr TELFER:** Does Renewal SA take into consideration some of the challenges of regional South Australia in delivery of water, electricity upgrades and the like when looking at projects? Because these are aspects which local decision-makers, local government might have an eye on, but the reality of a lot of the potential major residential or industrial growth in some of these regional centres really does hinge on that associated infrastructure: water, electricity, wastewater.

**The Hon. N.D. CHAMPION:** Not just regional South Australia but, as it turns out, the whole of South Australia, Greater Adelaide included. Again, this sort of belongs in the planning space. The Housing Infrastructure Planning and Development Unit, which is a relatively small unit, has already yielded a great deal of information. You can see the results in part of its work in the last few days, with the Housing Roadmap. I can tell you that there is nothing I am more conscious of now.

At the very beginning of any project is: what are our capacities in water, sewer, electricity, NBN, telecommunications, roads and then, later on, all the social infrastructure that government will have to put in? People wonder why these projects take so long in the planning stage, but if you are doing all of that then code amendment rezoning will take time. Do you know the old saying, a stitch in time saves nine? That is true of this.

I am sure you will ask me some questions about HIPDU, as it is known in planning, which is a very important unit. If I had my time over again as minister, I would appoint them on day one because the analysis of infrastructure is a quarter of the success of any project.

**Mr TELFER:** Minister, I direct your attention to Budget Paper 3, page 73. Can you explain the somewhat extraordinary rise in the dividend for Renewal SA from \$2.24 million in the budget for 2023-24 and then the estimated result of 98.8 in the dividend for Renewal SA?

**The Hon. N.D. CHAMPION:** It is more than one year's dividend: it is this year's and a bit of last year's. Principally, it is so large because of asset revaluation.

**Mr TELFER:** Can I clarify: which financial years are you saying it is across?

**The Hon. N.D. CHAMPION:** FY 23 and FY 24. What happened was that the asset revaluation was not complete. We had to complete that process and then kind of pay it all in one lump sum, because there has been a lot of asset revaluation. That is a good thing for the state.

**Mr TELFER:** So basically the value of the land that Renewal has has risen, and it has enabled them to give an additional nearly \$100 million back to government, simply because the land went up in value?

**The Hon. N.D. CHAMPION:** These are the accounting rules that apply across governments. When land is revalued, dividends go up. It is just the nature of things.

**Mr TELFER:** So this has resulted in there being an additional \$96.6 million for Treasury to expend. Is it cash in pocket for Treasury or is there an adjustment—

**The Hon. N.D. CHAMPION:** I do not think that is the way Treasury works.

**Mr TELFER:** —within the asset?

**The Hon. N.D. CHAMPION:** No. Dividend policy, broadly, is the province of the Treasurer, with whom I think you had your shot the other day. I am just operating Renewal SA's operations under the dividend rules, which are consistent for this government and previous governments.

**Mr TELFER:** I refer to Budget Paper 4, Volume 4, page 123. In highlights 2023-24 it is stated:

Supported improved housing outcomes on government projects in partnership with Renewal SA and [PLUS].

Can the minister specify which government projects have been referred to in this context?

**The Hon. N.D. CHAMPION:** This is a good thing. It is the interaction of ODASA, which is the Government Architect, with Renewal SA on projects like the West End Brewery to kind of put in place design standards; that is, to make these projects very high-spec. Not just West End but general projects across—we have a huge pipeline now, so, unsurprisingly, we are spending more money. We are making good projects.

**Mr TELFER:** Minister, on page 183 of Volume 4, near on the end of that budget paper, it speaks about higher payments through Renewal SA in the 2024-25 budget compared to the 2023-24 estimated results due to the establishment of a fund to support priority regional housing projects. Can you explain why the payments are higher to Renewal SA in the 2024-25 compared to the 2023-24?

**The CHAIR:** For some clarification, what page is that?

**Mr TELFER:** It is page 183 in Budget Paper 4, Volume 4, at the top of the page there.

**The Hon. N.D. CHAMPION:** It just reflects the timing of payments in regional housing. We are trying to get all of that money out the door.

**Mr TELFER:** So there is no additional comparative advantage for regional housing projects? It is purely around the timing?

**The Hon. N.D. CHAMPION:** It is just around the timing. We began the EOI and then what will happen is, once the analysis is done, the money will be expended, so it will all be pushed out in that year.

**Mr TELFER:** When does the minister expect that analysis to happen? You have talked about the oversubscription and the challenges of that. When can we start to see money going out the door, as you say?

**The Hon. N.D. CHAMPION:** It is going to the board in July and then they will make a recommendation after that and, of course, I can promise you I will analyse it carefully but I will not drag my heels.

**Mr TELFER:** As part of the analysis of the recommendations from the board, is there scope within—obviously, there are ministerial powers, but does the minister foresee that he will be making recommendations that are different from what the board recommends after their consideration in July?

**The Hon. N.D. CHAMPION:** You are asking me a hypothetical, not a question about the budget. I am not playing *Geoffrey Robertson's Hypotheticals* with you.

**Mr TELFER:** This is about the 2024-25 budget processes. It is money going out the door, as you say.

**The Hon. N.D. CHAMPION:** Renewal SA has management and it has a board but, at the end of the day, the minister can direct them. So I am not going to engage in some sort of hypothetical about the process. I am happy to come back here next year and you can ask me about the process, but I cannot speculate about what might happen. I am not a soothsayer.

**Mr TELFER:** Just a super minister.

**The Hon. N.D. CHAMPION:** We are not at Stonehenge. I am not trying to divine out the future here.

**Mr TELFER:** Chair, I might turn to the member for Hammond to put the omnibus questions on the record.

**Mr PEDERICK:** Minister, the omnibus questions are:

1. For each department and agency reporting to the minister, how many executive appointments have been made since 1 July 2023 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 2023 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 2023?

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 2023, 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 2024-25 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 or agency reporting to the minister, how many surplus employees are there in June 2024, and for each surplus employee, what is the title or classification of the position and the total annual employment cost?

7. 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?

8. For each department and agency reporting to the minister:
  - What savings targets have been set for 2024-25 and each year of the forward estimates;
  - What is the estimated FTE impact of these measures?
9. For each department and agency reporting to the minister:
  - What was the actual FTE count at June 2024 and what is the projected actual FTE account for the end of each year of the forward estimates;
  - What is the budgeted total employment cost for each year of the forward estimates; and
  - How many targeted voluntary separation packages are estimated to be required to meet budget targets over the forward estimates and what is their estimated cost?
10. For each department and agency reporting to the minister, how much is budgeted to be spent on goods and services for 2024-25 and for each year of the forward estimates?
11. For each department and agency reporting to the minister, how many FTEs are budgeted to provide communication and promotion activities in 2024-25 and each year of the forward estimates and what is their estimated employment cost?
12. 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 2024-25?
13. 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 2024-25, 2025-26 and 2026-27?
14. For each grant program or fund the minister is responsible for, please provide the following information for the 2024-25, 2025-26 and 2026-27 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.
15. For each department and agency reporting to the minister:
  - Is the agency confident that you will meet your expenditure targets in 2024-25?
  - Have any budget decisions been made between the delivery of the budget on 6 June 2024 and today that might impact on the numbers presented in the budget papers which we are examining today?
  - Are you expecting any reallocations across your agencies' budget lines during 2024-25; if so, what is the nature of the reallocation?
16. For each department and agency reporting to the minister:
  - What South Australian businesses will be used in procurement for your agencies in 2024-25?
  - What percentage of total procurement spend for your agency does this represent?
  - How does this compare to last year?

17. 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?

18. 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?

19. How many procurements have been undertaken by the department this FY, how many have been awarded to interstate businesses? How many of those were signed off by the CE?

20. 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?

21. 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:** The time allotted having expired, I declare the examination of the portfolio of Renewal SA completed. I thank all those public servants who have contributed to this process.

#### **Departmental Advisers:**

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

Ms T. Blight, Chief Operating Officer, Department for Trade and Investment.

Mr T. Pearce, Finance Manager, Department for Trade and Investment.

Ms S. Smith, Executive Director, Planning and Land Use Services.

Mr M. Voortman, Director, Planning, Planning and Land Use Services.

Ms K. MacKay, Government Architect.

Ms K. Bartolo, Valuer-General.

Ms E. Walker, Director, Housing Infrastructure, Planning and Development Unit.

Ms K. Anderson, Chief Executive Officer, West Beach Parks.

Mr M. Robertson, Chief Executive, Adelaide Cemeteries Authority.

**The CHAIR:** The portfolio is Planning and Land Use Services. The minister appearing is the Minister for Planning. I declare the proposed payments open for examination and call on the minister, if he so wishes, to make some opening remarks and to introduce the new faces. After the minister, the opposition spokesperson can also make some remarks, if he so wishes.

**The Hon. N.D. CHAMPION:** I will just stick to introductions: Mr David Reynolds, Chief Executive, Department for Trade and Investment, is to my right; and Ms Sally Smith, Executive Director, Planning and Land Use Services, is to my left. Mr Marc Voortman, Director of Planning, is a new appointment. Behind us are Ms Kirsteen MacKay, Government Architect; Elinor Walker, Director of HIPDU; Kate Anderson, Chief Executive Officer of West Beach Parks; and Katherine Bartolo, Valuer-General. We also have Mr Michael Robertson, Chief Executive, Adelaide Cemeteries Authority. Now it is over to you.

**Mr TELFER:** Likewise, I will not do an opening statement, Chair. The majority of this work starts at Budget Paper 4, Volume 4, page 116. Obviously what we have been speaking about with Renewal folds into a lot of the work that we can discuss through Planning and Land Use Services. Minister, of the land releases in the greater metropolitan area, which the government announced in 2023—Concordia, Golden Grove, Dry Creek, Noarlunga Downs, Hackham, Aldinga and Sellicks Beach—which ones have been through the development code process?

**The Hon. N.D. CHAMPION:** The code amendment process?

**Mr TELFER:** Yes.

**The Hon. N.D. CHAMPION:** The rezoning process? I will give you a precis and I will ask my department, if I have missed anything, to give me some information. Hackham has finished the code amendment process, and interim infrastructure deeds have been signed there as well. We are in the land division stage now with the council, so Hackham is completely through the code amendment.

We have initiated government-led code amendments. Hackham was a privately-led code amendment but government-led code amendments have been initiated in Concordia and Sellicks Beach, and they are in that process at the moment. Dry Creek has not yet begun but we have indicated that we will be doing a government code amendment there in the future.

**Mr TELFER:** Golden Grove?

**The Hon. N.D. CHAMPION:** Golden Grove was not part of the government's land release. That is a privately-initiated code amendment which is currently under consideration. We have 65 privately-led code amendments and 15 government-led code amendments in the system as we speak. They have been initiated but have not yet been completed.

**Mr TELFER:** What is the minimum time for such a code amendment? Some of these allotments are pretty significant. In what sort of time frames do you expect the decision to be made around these code amendments?

**The Hon. N.D. CHAMPION:** Are you asking for an average time across the lot of them?

**Mr TELFER:** Especially with these prominent ones that the government—

**The Hon. N.D. CHAMPION:** The government-led?

**Mr TELFER:** Yes.

**The Hon. N.D. CHAMPION:** We have actually given some time frames in the road map that we published yesterday for government-led code amendments. For Concordia the code amendment process we expect to be concluded by September 2025, and land division May 2026; at Sellicks Beach we expect the code amendment process to be finished by December 2025; and then at Dry Creek we are going to be initiating a government-led code amendment in 2025.

These are big, as you point out, substantial land releases. We have said publicly that we do not want any more Mount Barkers or, for that matter, Angle Vales, and so a lot of work is going into these government-led code amendments, to do the right investigations and line up the right amount of infrastructure to make sure that we do a good job.

**Mr TELFER:** You referenced the Dry Creek code amendment which you are expecting in 2025. What is the status of the negotiations with the Jurkovic Group?

**The Hon. N.D. CHAMPION:** It was the Buckland Dry Creek company. The Dry Creek site is probably the best blank canvass Adelaide has in terms of housing potential. It is probably the biggest urban renewal project, if you want to look at it through that lens, because these were salt pans that were part of an industrial endeavour that was put in in the 1930s as a precursor to try to get the chemicals industry here. I know quite a bit about the architecture of those salt pans because I was a federal member there. You have pumps all the way up at Middle Beach. It was an ambitious project for its time.

It has a complex array of concerns. On one hand there is the huge potential and on the other hand there are huge complexities with this site. The code amendment will be one part of a process. It is not really a sort of greenfield land release and it is not a sort of traditional industry land release. It is a unique site and it has unique challenges to it.

**Mr TELFER:** As far as those negotiations with the company you spoke about, at what stage do those negotiations have to get to before a code amendment in 2025 that you talked about? What is the status of those negotiations?

**The Hon. N.D. CHAMPION:** We have an agreement to do a government-led code amendment with the company in this case and we will of course—



**Mr TELFER:** And with the landowner.

**The Hon. N.D. CHAMPION:** They own some land and the government owns some land. As I said before, the City of Salisbury owns some land and of course then there is a mining lease over the top of that land and then there is a whole architecture of salt pans stretching up the coast. It is a complex site and the code amendment will be a very large piece of work and we are going to begin that work in 2025.

**Mr TELFER:** But you are confident that the negotiations with the private owner aspect of it are able to be delivered?

**The Hon. N.D. CHAMPION:** Of course, it is a complex site. Undoubtedly, there is a company interest there. There is a broader planning interest. Renewal owns land on that site, so Renewal has an interest. The government has an interest. There are environmental issues and remediation issues. It is a very complex site, so we are just going to work methodically with the private landowner and leaseholder in a mature and professional way and we are confident that the company will work in a mature and professional way and that is what brings progress. We are undertaking the same process that we are doing at Sellicks Beach and Concordia.

**Mr TELFER:** This is a bit of speculation, but is there a scenario where, despite negotiations with private landowners or leaseholders, the government will move ahead separately with the aspects that they own and control?

**The Hon. N.D. CHAMPION:** I do not think that is possible. The site is a coherent entity. One of the reasons for a government-led code amendment is to do the planning rezoning job properly over the whole site and for all the potential of that site to be unlocked.

**Mr TELFER:** Is there scope for the government to go through a compulsory acquisition process with that?

**The Hon. N.D. CHAMPION:** When you say 'scope', I do not really understand.

**Mr TELFER:** Are there powers for the government to compulsorily acquire land as such?

**The Hon. N.D. CHAMPION:** Not under the planning portfolio. You should have asked a question about the Urban Renewal Act in the previous—

**Mr TELFER:** I thought you were the super minister.

**The Hon. N.D. CHAMPION:** You have to ask the right question at the right time. I cannot help you in that regard. I can only answer the questions. In the planning space, there is no mechanism that I know of to do what you are asking.

**Mr TELFER:** In considering the projects we have spoken about, what are the risks of unnecessary delays to such projects? Obviously, the time frames, some would say, are ambitious. What are the risks for government as far as the ever-increasing challenges of housing supply and affordability?

**The Hon. N.D. CHAMPION:** When you say risks?

**Mr TELFER:** The risks to delays in the code amendment process.

**The Hon. N.D. CHAMPION:** I do not think there are any risks in the code amendment process. With any sort of housing project, there are myriad interactions with government, local government, until you get to a land division, a civil work stage, and then there are risks for the private developer after that. In terms of risk, I do not think there are risks in code amendment rezonings, provided we do our job properly. The government has indicated that we have looked very carefully at legacy sites like Angle Vale and Mount Barker, and we are going to endeavour not to make the mistakes that were made there.

**Mr TELFER:** Through these sites, is there a local government approval aspect to it, or are these all, as far as the approvals go, under the remit of state government?

**The Hon. N.D. CHAMPION:** They are under the remit of the government, because they are government-led code amendments, but we obviously have an engagement with The Barossa Council

in terms of Concordia, with Onkaparinga in terms of Sellicks Beach and Hackham, and of course we will have an engagement with the City of Salisbury on Dry Creek. Also, just generally, in code amendments privately done, private proponent ones done, or government ones or council-led ones, they always engage local government as an inherent part of the process.

**Mr TELFER:** I refer you to page 117 of Budget Paper 4, Volume 4 and the financial table that is there. Can the minister explain the significant increase in the net cost of services in 2024-25 compared to the 2023-24 estimated result for planning and land use services?

**The Hon. N.D. CHAMPION:** Can you repeat the question?

**Mr TELFER:** I will pull my table up so we are looking at the same aspects: the net cost of providing services, the increase from the 2023-24 budget up to the 2023-24 estimated?

**The Hon. N.D. CHAMPION:** It is driven by these things: a \$1 million regional plans carryover, a \$0.1 million flood mapping carryover, a \$0.6 million LSSA contract savings reversed, and \$0.4 million DA lodgement fees reforms to cover ICT costs. That is \$7.9 million. It is about \$3 million all up. So it is the difference between—

**Mr TELFER:** The \$3 million you referred to is which, sorry?

**The Hon. N.D. CHAMPION:** Are you talking about supplies and services, \$7 million to \$10 million?

**Mr TELFER:** The one I am looking at, obviously the net cost of all the services, the \$12.2 million, which was the budget and the \$16.2 million, which is the estimated result, a \$4 million increase.

**The Hon. N.D. CHAMPION:** Most of that was driven by an increase in supplies and services, which is, as I said before, was \$1 million of the regional plans being carried over—so that is money being carried over—and \$0.1 million for flood mapping carryover; \$0.6 million is the land services (LSSA) contract savings reversed and \$0.4 million is DA lodgement fee reforms to cover ICT costs. They are all worthy things, by the sounds of it. I am happy to take it on notice and provide you with greater detail, if needs be.

**Mr TELFER:** Yes, that is of interest to me, definitely. So with that explanation, those additional expenses that you speak about are one-off, obviously—

**The Hon. N.D. CHAMPION:** The regional plan is a process that is happening, and you would be aware of that. It is an important job for regions to have that planning job done, but we are trying to balance. I think Kangaroo Island has already gone out there into the community as a final piece of work. We have done some work with the River Murray code amendment with the member for Chaffey and others who have a concern on the Murray. We have a bunch of regional plans, and I think we are doing fairly significant job up in the Spencer Gulf as the next major piece of work. So it relates to those costs.

**Mr TELFER:** The budget line around the receipt of fees, fines and penalties at the top of that table, where there is a budget of \$20,405,000, can the minister advise of the annual contributions councils are estimated to make into the ePlanning system in 2024-25 and, obviously, subsequent years?

**The Hon. N.D. CHAMPION:** I might take that on notice, but that figure is driven not so much by local government but by the fact that we did some fee increases for things like code amendments. We did that for a very important reason. We have a huge volume of code amendments. Of course, everybody believes their code amendment is special and wants it to move through the system quickly, but the more you do the more overwhelmed system gets. So we have appropriately priced them, because code amendments are very different: they run from everything from council-led code amendments on heritage to major code amendments like Concordia. We now have a fee structure that appropriately recognises the different categories of code amendments and raises revenue, which we will spend on code amendment assessment and approval.

**Mr TELFER:** So you are saying the vast majority of that significant increase is due to that code amendment process?

**The Hon. N.D. CHAMPION:** Yes, that is right. Out of that \$20 million, \$1.8 million comes from councils, and there has been a fee reform for running ePlanning as well.

**Mr TELFER:** The additional funds that are streaming into the department due to the additional code amendments that you speak about: in which area will this additional stream be expended? Is this money in and spent in that part of the department?

**The Hon. N.D. CHAMPION:** It is a great credit to Ms Smith that she runs a tight and lean operation that is incredibly effective. This state is very well served by her leadership. It is a very good department, and if you look at it in comparison to other states this state is very well served by that department, but we have a tempo of activity that is increasing. We have not just encouraged private prime proponents to do code amendments, we have not just kept Mr Reynolds busy doing government-led code amendments, we have also opened the door to council-led code amendments around heritage.

There has never been a time when PLUS has been more busy, and as a consequence we had to have a fee reform to properly reflect cost recovery. It is not revenue raising; it is cost recovery for the services the state is providing in planning to the broader South Australian community and economy.

**Mr TELFER:** Thank you. I will continue on page 116. You have made reference already to the establishment of the Housing Infrastructure Planning and Development Unit, HIPDU, as you—

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

**Mr TELFER:** I know you are a hip dude. Minister, how—

**The Hon. N.D. CHAMPION:** It is better than being a super minister, I suppose.

**Mr TELFER:** How is the budget being reallocated to support this new initiative?

**The Hon. N.D. CHAMPION:** It was funded out of the Planning and Development Fund, and I think that has probably been one of the best investments that fund has ever made. That fund is paid by developers into the system. Members would be aware of how traditionally it has been employed. However, this has been a very important measure, and we are very lucky to have Ms Walker leading it, a very hardworking person who performs the role very diligently and—

**Mr TELFER:** You are very gushy about your department today, minister. This is good.

**The Hon. N.D. CHAMPION:** Well, they have been working very hard, and if I praise them they work even harder. It is a win win, from my point of view. HIPDU has been very, very important, and I think it has been money well spent.

**Mr TELFER:** How much money is still in the Planning and Development Fund?

**The Hon. N.D. CHAMPION:** It varies from year to year; it depends on which year. Are you talking about this year? You would have to be talking about this year.

**Mr TELFER:** Correct.

**The Hon. N.D. CHAMPION:** We will find out; I cannot give you future years, but we will find out.

**Mr TELFER:** You are not a soothsayer, minister.

**The Hon. N.D. CHAMPION:** I am not a soothsayer—well, one can predict.

**Mr TELFER:** With the movements, with the additional funding going into HIPDU, are there any risks that a movement of funding from one aspect of the department can have a detrimental effect on other aspects?

**The Hon. N.D. CHAMPION:** Could you just repeat that question, I was just looking up—

**Mr TELFER:** I will start my question again. With the additional money going into HIPDU, you talk about it being from the Planning and Development Fund. Are there concerns or risks that there is a detrimental effect on other aspects of the work the department does, or is this purely a lessening of the fulcrum of funds with the Planning and Development Fund?

**The Hon. N.D. CHAMPION:** The Planning and Development Fund is there to facilitate planning and development—and we have had these sorts of conversations previously in estimates. It got used to implement the code, from memory, under the previous government. Governments have always prudently used this money.

We think this is a sensible investment. There is nothing more important, I think—and the last couple of days would tell us all. The actual analysis of infrastructure, as you are doing the code amendment, is just such a critically important thing, particularly on large and complex code amendments. Spot rezoning is less important; with one small code amendment it is easier to make analysis, particularly if it is adjacent to existing infrastructure.

However, when you are essentially trying to plan communities like Concordia, you do need the active involvement of SA Water, the Department for Transport and a range of other entities, public and private, to make sure it all works. I think it is a sensible investment. I am happy to get you the exact figure: the balance of the fund as of 31 May 2024 is \$35.2 million.

**Mr TELFER:** Obviously, the genesis of this fund was based around the delivery and development of open space and the like. What contributions are going to be made available to councils, for instance, for investment into open space and development of public space? As you say, it is an important aspect of a well-rounded community.

**The Hon. N.D. CHAMPION:** We just recently ran an open space round, but it was smaller than in previous years. If I might give you an indication about government thinking, and my thinking as minister, there have traditionally been quite large open space rounds, but that has been divorced from where the density is being felt.

If you look at the City of Playford, it is taking enormous numbers every week; if you look at the City of Marion, if you look at the broad area from the top of Anzac Highway through to Dover Gardens, it is taking enormous infill. There is also development in the city.

All of that money in that fund is being generated by development activity, but what happens when you put in an open space round is you lose the connection between the developers who are paying this levy, and the communities which are getting the growth, and where the projects might be going. They might be very worthy projects in country areas or in the city, but if those communities are not taking the density, I think you have a question about why they would get the investment, and we have to get better.

If you talk to your city counterparts, there are many communities right across the city and, increasingly, in regional cities too, which will be taking huge amounts of growth, and we have to do some work in making sure that density equals amenity. So that might mean that there are smaller open space rounds and more significant investments in things like the coast park that runs from Semaphore right down to Noarlunga, which governments of various persuasions have made a very large public investment in over the last decade or so.

At some point we are going to have to look at this fund and say that there is going to have to be a link between getting the people and then getting the investment in public works, open space, all the rest of it, and smaller open space rounds for councils.

**Mr TELFER:** So the priority for you as minister is less on the open space. Can you give me an indication of how much smaller that open space round was compared to other years?

**The Hon. N.D. CHAMPION:** In 2023-24, we did \$1.9 million in funding, so it is quite a bit smaller. Like I said, when you put money into those open space funds, they lose their link to density. We have a lot of major projects underway and I think we have to get better at aligning investment in the public realm by Renewal SA and by the project leaders.

**Mr TELFER:** Is that not more to do with the scope and the parameters of the programs that you put out, though?

**The Hon. N.D. CHAMPION:** Sometimes, but, for instance, if we go down to Dover Gardens, just as an example, we could find streets where 50 per cent of the houses have been completely replaced, knockdowns, two-for-one, sometimes three-for-one, sometimes three-for-eight. There are

huge general infill programs—in Campbelltown and all around the city—and then there is no corresponding benefit for the community out of that growth.

So communities, quite rightly I think, say 'We are putting up with all of this. You are making suburb and streetscape changes, parking in the street changes but the local park does not get upgraded,' and they do not get much benefit from it other than housing supply. I think if there are councils and communities that are taking the heavy load, then we should look at how we better support them through the Planning and Development Fund. Inevitably, I think that means a greater investment in big parks rather than smaller projects which might be very worthy, might be funded under other programs, but which do not have a massive bang for their buck.

**Mr TELFER:** I will move on from that. It is starting to get to the more philosophical than the practical. Continuing on that highlights line, how is the development investigation engagement on the six country regional plans and the Greater Adelaide Regional Plan progressing? It was advised, as a 2023-24 highlight, that work had commenced on this, as well as being mentioned in the targets for 2024-25.

**The Hon. N.D. CHAMPION:** I might just use this opportunity to highlight that, for the GARP (Greater Adelaide Regional Plan) timeline, the public consultation will now be between September and November 2024 and will be for six weeks. The reason we have made it six weeks is so that local government can have at least one meeting. I would warn local government that they are going to have to get their submissions in fast. We will not be extending that time, so they should get prepared as best they can now.

We have already done a huge amount of consultation on the GARP through the public discussion paper—170 pages, and there has been a lot of talk about that. We want to finalise the GARP by the end of Q1 2025, and we want to make sure there is a massive amount of certainty in the system for the community going forward.

In terms of regional plans, the Kangaroo Island Regional Plan is the first fully digital regional plan in Australia, so it is a first for Kangaroo Island. Consultation is complete and it is going to go live in early 2025. For the remaining five regional plans, consultation for all five is scheduled for early 2025 to go live in late 2025 for all five.

We have done some master plans for the Upper Spencer Gulf. For Port Pirie we have provided \$250,000 out of the Planning and Development Fund for a draft, and that is being led by the Department for Energy and Mining. For Whyalla we have provided \$100,000, which I know the Chair will be interested in, for that plan to be completed by the end of June. For the Port Augusta centre master plan we have provided \$100,000 for it to be completed by September 2024. They will feed into the regional plans.

**Mr TELFER:** When does the minister expect the regional plan process to be complete?

**The Hon. N.D. CHAMPION:** At the end of 2025.

**Mr TELFER:** For all of them?

**The Hon. N.D. CHAMPION:** For all of them.

**Mr TELFER:** In terms of the consultation and engagement process that you spoke about, obviously local government is a key one, but there are other stakeholders and local communities. Can the minister provide a list of all stakeholders who will be directly invited to participate, as opposed to the general public?

**The Hon. N.D. CHAMPION:** It will be a public consultation program. You do public consultation and you invite comment, and that will get the broad sway of the people. Then there are people who are frankly interested parties, and they will all be engaged. We know that the local councils will be engaged, and we know that PIA, all the interest groups, Master Builders, HIA, UDIA, Property Council and a range of industry groups, not-for-profits, interested parties and amateur planners will have their say.

**Mr TELFER:** Out of those, which ones will be formally invited or formally notified through the process?

**The Hon. N.D. CHAMPION:** I think that normally either PLUS writes, or I write, or the State Planning Commission writes to a range of those groups. I am happy to provide you with a list. It is the usual suspects.

**Mr TELFER:** Thank you. Minister, in the 2023-24 highlights you spoke about the Building Confidence Report. Can the minister advise on the progress made in implementing the recommendations from the Building Confidence Report, including the appointment of a building commissioner?

**The Hon. N.D. CHAMPION:** The Building Confidence Report had 22 recommendations. Nine of those are already completed; two recommendations are underway; eight are yet to commence, which are medium priority; and three recommendations are being implemented by CBS, and one of those is the building commissioner. Sorry, CBS are doing registration of engineers, and there will be a draft bill that is prepared by Consumer and Business Services, and that will consider the remaining ones. Some of it is stretched over PLUS, and the rest is as I said before: three recommendations are spread across Consumer and Business Services.

**Mr TELFER:** And the building commissioner that you referenced?

**The Hon. N.D. CHAMPION:** We ended up appointing Mike Burdett as director of building services. So we have a role that is doing the job but there is no building commissioner per se at this point in time.

**Mr TELFER:** So it will be a departmental staff member but not a commissioner with the powers that come with a commission?

**The Hon. N.D. CHAMPION:** As it stands, under this budget, but there is a draft bill coming to parliament so I am sure you can have a good debate there.

**Mr TELFER:** I always have good debates in parliament. Can the minister provide an update on the consideration of changes to the Planning, Development and Infrastructure Act as recommended by the expert panel and supported by the government?

**The Hon. N.D. CHAMPION:** The expert panel was a huge piece of work, so I will endeavour to give you an answer. To give you an idea, there were 113 recommendations; we accepted 63 in full, 13 in principle, 36 in principle with further investigation, and one recommendation we did not support. Of those, 18 recommendations have been fully implemented, 20 recommendations are underway, and the implementation of 13 recommendations is programmed to commence this year. The balance will be done in 2025 following the Greater Adelaide Regional Plan.

**Mr TELFER:** I am curious, minister: what was the one recommendation that was not supported?

**The Hon. N.D. CHAMPION:** There was a recommendation to take impact-assessed planning into a full cabinet process and we rejected that. Planning ministers can take impact-assessed projects to cabinet if they choose, but concerning some whole-of-government process, I think the government was not of a mind to do that.

**Mr TELFER:** Leave it up to the discretion of the super minister?

**The Hon. N.D. CHAMPION:** If you say so.

**Mr TELFER:** No, I am asking.

**The Hon. N.D. CHAMPION:** In this case, it is me, but it is in the minister's suite of responsibilities.

**Mr TELFER:** Sweet. How much has the government budgeted for the costs associated with the recommendations from the panel?

**The Hon. N.D. CHAMPION:** I will take that on notice, but we have a budget, we have a figure. I just want to make sure we get it down to the dollar and cent. It is \$3.818 million over three years for e-planning, and \$450,000 for the implementation of legislative and policy reforms.

**Mr TELFER:** So that will get the eight that are fully already, obviously, the 20 that are underway and the 13 that have commenced, or is that all of the recommendations bar the one?

**The Hon. N.D. CHAMPION:** All of the ones that we have accepted, yes.

**Mr TELFER:** Will the ERD Committee play any role in the consideration of changes to the act, with the associated regulations and the Planning and Design Code?

**The Hon. N.D. CHAMPION:** I have not turned my mind to that. I would have to take that on notice. I am sure they would have a view.

**Mr TELFER:** I was curious about the process.

**The Hon. N.D. CHAMPION:** Most of their work at the moment, their interaction with my department, is through code amendments, which go there for approval.

**Mr TELFER:** Minister, in the targets for 2024-25, it states that the government plans to implement the government responses to the expert panel. How will these legislative and regulatory changes impact the budget and operations of PLUS in the long term? What are the long-term benefits and potential risks?

**The Hon. N.D. CHAMPION:** There are no legislative changes; there are only regulatory ones, and we do not anticipate that there are any costs beyond what we spend on the current system—so the refinements of what is a very well designed system.

**Mr TELFER:** Minister, obviously there is additional attention at the moment and a sense of urgency being articulated, with the focus on delivering faster and more efficient housing approvals and infrastructure. How will the department balance the need for rapid development with the preservation of community standards and environmental sustainability?

**The Hon. N.D. CHAMPION:** You said community standards?

**Mr TELFER:** Expectation, standards.

**The Hon. N.D. CHAMPION:** The State Planning Commission, as part of all code amendments, is a community engagement charter. I have been very regress in my role as minister in making sure that that charter is followed by proponents. People who submit public comment can be assured that I endeavour to read those engagement reports very carefully, and I think there is plenty of evidence out there that communities are having their say, but it is a balance. Planning systems around the country now are under scrutiny to find that balance and what is the appropriate balance between providing housing supply on the one hand, which we know is absolutely critical, particularly for intergenerational fairness, but fairness more generally, not just between generations but within them.

The fastest growing group of homelessness is women over the age of 55, which should give everybody great cause for concern, although it is cause for concern when anyone is homeless. One of the other fastest growing groups is people coming out of one rental property and having two or three weeks where they are temporarily sleeping in a car before they get the next one because the rental market is so tight. Planning has to give people a right to have a say and communities the right to have a say, but that right to have a say, be consulted on and discussed as part of a code amendment is not a right of veto.

We are dealing with people's private property rights, we are dealing with the community's rightful expectation to have a say, but we are also balancing all of that with the very real need for housing supply. We are trying to get that balance right. This government's approach is to do a lot more strategic infill, and we are trying to do a lot more greenfield, because we know general infill remakes suburbs sometimes and, as I said, there has not been a density dividend for some of those communities. The way I think you work at getting community consent, the way you engage with communities to get good design, is to do good design, to do good housing supply and to match density with investment in parks and open space.

**Mr TELFER:** It is obviously a discussion, as far as community goes, that is very front of mind at the moment. Only a couple of months ago there was the splash in the press about your backing of the 20-storey residential apartment tower for Glenside, for instance.

**The Hon. N.D. CHAMPION:** I might just make a point—*The Advertiser* is not up in the gallery today. I have no control over the headline that some subeditor decides. If you look at my commentary in that story, I did not back it; I just said that there is a code amendment, people need to consider it. I made very measured commentary and, if you look at the letter I issued to the private proponent, I said that it is up to the private proponent to justify why that site should have a higher standard compared with eight along the top of Fullarton Road, from memory, and eight along Greenhill Road at the moment.

I think the community has had a few public meetings and obviously will weigh into the public consultation—good. I will wait to see the final report when it comes back to me. People do need to have a close look at what I said and not at headlines, and a close look at what I have said in the initiation letters, which go up on the PlanSA website.

**Mr TELFER:** Just on that, when did the proponent first come to you on that code amendment?

**The Hon. N.D. CHAMPION:** We would have to get the dates as to when they lodged in the system. Cedar Woods have done the site up there at Glenside. They have done the Glenside development, and I think it is a good development, if you walk around there. If I had that site again there would probably be more people on it.

The balance we have is that if you have strategic infill opportunities—and West End is one of those—then we need to push housing supply where we have strategic infill because there is no no-growth alternative. You cannot say, 'We're not going to have housing supply in our part of the city, and the rest of the city has to take it all.' I will be quite plain with people, that is not an acceptable position.

I have said to local councils, 'Do your strategic plans, work out where you want density, and try to enable it and make it good.' That is what we are trying to do at all of our projects. I know that is what the planning system, as much as we can, is trying to endeavour to do. One of the expert panel's reforms was to give a harder limit on, in particular, some of the corridors, so that investors and the community have greater certainty about heights and how streetscapes work along those transport corridors.

**Mr TELFER:** I certainly respect that you cannot control subeditors and stories that are written.

**The Hon. N.D. CHAMPION:** *The Advertiser* does a story and sometimes I find that—there is a limited amount that the minister actually makes decision about. There are councils, SCAP—

**Mr TELFER:** So you did not drop that story to *The Advertiser*?

**The Hon. N.D. CHAMPION:** No, I am just saying that you have to understand this. Every week you will open the paper and the intrepid reporters at *The Advertiser* have been out scanning documents and they will—I will bet you there is one in the paper today about some project going on in town, and you will read about it in the paper and you will be very interested. One of the things, the great things about the PlanSA system, is that you can register for alerts about code amendments in the area, and you get an email straightaway. People can keep track of these things, and it is a good thing, and the media do, and they like to put the story up.

**Mr TELFER:** Do you worry, as the minister—and even today you have spoken about the strategic infill priority—whether these are inaccurate or misguided stories or whether they are based in some truth, that people who are being encouraged by you to invest in the strategic infill might feel frustrated with a system that is considering something which is significantly different in close proximity to what they actually—we have people who have bought into the strategic infill at Glenside but now see the splash in the paper that there could be 20 storeys nearby as well. Is this just the nature of the system as a whole, that people can put forward ideas for consideration and create this sort of uncertainty or commentary in the community?

**The Hon. N.D. CHAMPION:** There is a code amendment process, we all follow the process, and inherent in that process is—and this is a good thing—public consultation. That is a good thing



about the code amendment process: there is public consultation, there is parliamentary scrutiny—it is a good system.

**Mr TELFER:** When does the government plan to finalise the integrated structure plan and infrastructure scheme for the government-led growth area? What has been done to date? This is in the targets on page 116.

**The Hon. N.D. CHAMPION:** This mainly relates to Concordia and Sellicks Beach where there are government-led code amendments and a multitude of landowners, and so having infrastructure schemes in place helps to prevent the sort of situation that we have on some of the legacy growth fronts like Angle Vale, where I think there are more than 100 deeds in place.

**Mr TELFER:** When does the government plan to finalise the infrastructure scheme with the Rural City of Murray Bridge? What has been done to date?

**The Hon. N.D. CHAMPION:** We have been working very hard with Murray Bridge. Elinor Walker has been having some very good discussions with them. I am happy to take on notice the exact stage it is up to, but we have been having good discussions with them about infrastructure schemes. The Rural City of Murray Bridge deserve a real pat on the back. They are doing an excellent job. I cannot speak more highly of their engagement with HIPDU and PLUS more generally.

**Mr TELFER:** And a hardworking local member.

**The Hon. N.D. CHAMPION:** Indeed, if you say so.

**Mr TELFER:** I do. What principles does the government plan to establish to coordinate the delivery of the state's trunk infrastructure through the infrastructure coordination group?

**The Hon. N.D. CHAMPION:** This is a very important endeavour. It is trying to line up all of those functions where you have to dig things, to be frank: pipes, electrical cables, gas mains, telecommunications, the NBN and roads. I think that the perennial frustration for people is to see a road dug up more than once or infrastructure not to be put in all in one hit. That is easier said than done, but we are endeavouring to put together a committee that might do it where possible. We are putting in place a process that will endeavour to do that properly in these growth fronts.

**Mr TELFER:** I am not sure if this next question is in this spot or the next session, but I will take your guidance. I refer to the West Beach Trust aspect, Budget Paper 4, Volume 4, page 134.

**The Hon. N.D. CHAMPION:** That is in this bit.

**Mr TELFER:** I thought it was. How many homeless people are currently being housed at West Beach Parks?

**The Hon. N.D. CHAMPION:** They do not ask people on reception about their status.

**Mr TELFER:** Is there a concession rate for homeless people? Is there a way that homeless people are accommodated differently?

**The Hon. N.D. CHAMPION:** They are not treated any differently to anybody else and there is no government program putting people in West Beach Parks.

**Mr TELFER:** Are there any referral processes in place for vulnerable people staying at the park?

**The Hon. N.D. CHAMPION:** Are you talking about residential accommodation at the park, not squatters in the dunes or anything like that?

**Mr TELFER:** Yes.

**The Hon. N.D. CHAMPION:** People do not ask. It is not really West Beach Trust's role to run homelessness services and we would not expect them to.

**Mr TELFER:** So it is purely a landlord-type responsibility?

**The Hon. N.D. CHAMPION:** Yes, that is right. It is a recreational park, so that is not its role. It has not been its traditional role. As I said before, one of the groups that is growing that we are seeing more of in other areas are people who are working and their lease comes to an end. They

might get another lease in three weeks or four weeks, but there is this period where they are homeless and, of course, those people will endeavour to get themselves accommodation through a range of circumstances and they probably use residential parks, not just West Beach Trust.

**Mr TELFER:** So with West Beach Parks managed by the Trust, are there any roles or responsibilities or interactions with DHS, for instance, as far as management goes?

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

**Mr TELFER:** Let's go to the top of page 117 again, talking about the growth area planning tools. What exact growth area planning tools does the government plan to establish to create a framework for infrastructure funding and the delivery of state significant growth areas and the timelines?

**The Hon. N.D. CHAMPION:** This is the first time one of these infrastructure schemes will be set up. Of course, I have every confidence that HIPDU and its director will do a great job to begin with, but there will always be lessons learned and progress to be made. The important thing is that we are setting these up and we are avoiding the situation that we have on some of the legacy growth fronts where we have multiple deeds. Deeds are appropriate where you have a single owner or a small number of owners, but they are not appropriate where you have a multitude of owners because the complexities are such that you run into infrastructure bottlenecks down the track.

**Mr TELFER:** Timelines of expectations?

**The Hon. N.D. CHAMPION:** They will be part of the code amendment process, part of the land division process. I am happy to update you next year when the work is done.

**The CHAIR:** On that note, thank you, minister. The time allotted having expired, I declare the examination of the portfolio of Planning and Land Use Services completed. I thank the public servants for their contribution.

*Sitting suspended from 15:31 to 15:45.*

#### **Membership:**

Mr Teague substituted for Mr Whetstone.

#### **Departmental Advisers:**

Mr M. Buchan, Chief Executive, SA Housing Authority.

Mr N. Symons, Chief Financial Officer, SA Housing Authority.

Mr M. Hayward, Executive Director, Property Services, SA Housing Authority.

Ms F. Curnow, Executive Director, Customers and Services, SA Housing Authority.

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

**The CHAIR:** Welcome back. The portfolio is the South Australian Housing Authority and Affordable Housing. The minister appearing is the Minister for Housing and Urban Development. I declare the proposed payments open for examination. I call on the minister to introduce his advisers and, if he so wishes, make an opening statement. The speaker for the opposition also has the same courtesy; if he wants to make an opening statement, that is absolutely fine. Over to you, minister.

**The Hon. N.D. CHAMPION:** Thank you, Chair. I do not think I will make an opening statement, in the spirit of the day. To my right is Mr Michael Buchan, Chief Executive. Nick Symons, Chief Financial Officer, is to my left, and Mr Mark Hayward, Executive Director, is to my left. We also have Fiona Curnow, Executive Director, Customers and Services, and Mr David Reynolds, Chief Executive, Department for Trade and Investment.

**Mr TELFER:** I appreciate the minister not sapping up time with opening statements. Minister, I will turn your attention to Budget Paper 5, page 68, referring to the aspect in particular about the extension of the Aspire homelessness program. It states that this initiative provides \$5 million over four years from 2024-25 to extend the intake for the Aspire homelessness program for a further three years to 30 June 2027.

The Hutt St Centre program provides intensive case management for up to a 36-month period for people who have experienced recurrent homelessness who are at risk of returning to homelessness, and it is expected that the extension will assist a further 264 people. With \$5 million allocated to extend this program, what specific outcomes are expected?

**The Hon. N.D. CHAMPION:** Essentially, this Aspire program has not changed. What we have done is extended it out to align with the rest of the Alliance funding coming to a conclusion. It seems sensible to align those two things, and the Aspire program, which Hutt St and others are interested in, essentially is a stabilisation of homelessness services. It has been very successful to date, and that is why it has an extension.

**Mr TELFER:** So that \$5 million amount is basically business as usual, or is that expanding services?

**The Hon. N.D. CHAMPION:** It is just an extension of the current program.

**Mr TELFER:** So the current funding level is exactly the same?

**The Hon. N.D. CHAMPION:** There is essentially no change except it is extended to align, as I said, with their Alliance model.

**Mr TELFER:** Regarding the measure that is mentioned in there—'the extension will assist a further 264 people'—if this is a commentary around the money being exactly the same, the statement about a further 264 is an interesting one.

**The Hon. N.D. CHAMPION:** What happens is people come into the program, and they are in the program, which is about stabilisation and then a passage out of homelessness. What this extension allows for is another intake of people to go into that program.

**Mr TELFER:** So is that 264-person number what the past three years have delivered, basically?

**The Hon. N.D. CHAMPION:** As you would understand, the cohorts and the numbers flowing into the system change. Essentially it is three years for 88 people of funding. We will get you an exact set of details on notice, but that is fundamentally the way the system operates at the moment. Essentially it is a pipeline of people coming through a program, and the whole point of the program is to give them a pathway out of homelessness.

**Mr TELFER:** Is there an awareness of the minister or within government of how many people in South Australia are homeless?

**The Hon. N.D. CHAMPION:** There is some Census data, which is the most reliable data, and then there are a range of other measures. I might take it on notice to give you a full picture, but to give you an idea of the CBD, as of 30 April 2024, actively homeless: 234; newly identified, 29; and then there are a couple of other measures about placement and the like. But there are a range of people at risk of homelessness as well. Obviously, these figures all indicate individual tragic circumstances which we would not want to see anybody experience.

**Mr TELFER:** I am interested that you refer to the Census data. By my memory it was several thousand—5,000 or 6,000—in South Australia.

**The Hon. N.D. CHAMPION:** At risk of, yes.

**Mr TELFER:** So regarding that number you spoke about then—the most up to date within the CBD—obviously this program can reach a third of them, potentially. Is this allocation best endeavours? You say each of these individuals are tragic circumstances, and you make an allocation of \$5 million over three years to try to help 88 of them. Is it enough? Are you doing enough?

**The Hon. N.D. CHAMPION:** The Aspire program is a good program, but it is a relatively small program. There are a range of other services through the Homelessness Alliance and of course public housing. Then, beyond that there is assistance into the private rental market, and beyond that there is a function of the private rental market and affordable sale. On and on it goes.

We know that at the moment there is, as I said in the previous lot of estimates, a group of people now at risk of homelessness because of the low vacancy rate in private rental, which is exacerbating a problem that has been there for some time. There are a range of programs, and I am happy to take it on notice and give you the figures of each and every program. This is an issue, and it has been an issue for a long time. We are endeavouring to provide the support that we can.

**Mr TELFER:** I appreciate you taking that on notice, minister. Do you believe there is a need for further reform in the homelessness and social housing sector?

**The Hon. N.D. CHAMPION:** I would not offer an opinion about that. I guess every year we help and last year, 2022-23, we assisted 20,815 people in services related to accommodation. With my broader hard hat on, the housing and urban development department, one of the things is that it is very hard to start at the homelessness end to resolve a housing crisis.

You actually have to look at the whole market and be pushing in supply to the whole market, and get the whole market moving and have a functional rental vacancy rate. To give you an idea, a functional rental vacancy rate is anywhere from 2 per cent to 3 per cent, the higher the better in terms of people getting access to rentals. In the city I think it is 1.2 per cent last time I asked, the suburbs are between 0.5 and 0.7. It has got a little better but not much. In country areas it is at zero in many country towns.

We have to make sure the rental market is working better. The way you do that is, obviously, you have more rentals, but you need more affordable rentals run by community housing providers. We are doing work like that through Renewal SA. Social Accelerator was announced the other day, and I think we had eight projects from CHPs, which is all going to bring on supply, but we also have to get affordable sales moving, because if people are trapped in a rental market you will never get the vacancy rate up; it will only be down.

You cannot look at one segment of the market. You have to look at the whole housing system and make sure that the whole thing works, and then apply special consideration to homelessness services as well.

**Mr TELFER:** Thank you. I was not asking for your personal opinion on it; I am as—

**The Hon. N.D. CHAMPION:** I do not think that is a personal opinion; that is just an accurate reflection of the market.

**Mr TELFER:** Sorry; to clarify, when I asked the question about social reforms, you said, 'I don't want to give my personal opinion,' and then you gave it in respect of the department. I appreciate that context. The question was based around whether there are some specific reforms in the homelessness and social housing sector that you, as the minister, are looking at bringing forward and undertaking.

**The Hon. N.D. CHAMPION:** It is day 70, I think, since I was appointed. We have not entertained any specific new reforms in that time.

**Mr TELFER:** Thank you. I will continue on page 68, and it speaks a little bit about the increased housing construction costs in the middle part of that page. Can the minister provide an example of how these funds will be specifically used to meet public housing build commitments?

**The Hon. N.D. CHAMPION:** It is just a reflection on our public housing building program, and the sorts of inflation we are seeing in the system since we were elected to government.

**Mr TELFER:** On that, obviously there are no funds within the 2024-25 budget, so you do not expect there to be any increased housing construction undertaken in this financial year?

**The Hon. N.D. CHAMPION:** It reflects the remaining program of that housing, so we have funded it properly, anticipating the construction cost increase.

**Mr TELFER:** So it is top-up funding for the program; is that how you would—

**The Hon. N.D. CHAMPION:** If you want to characterise it that way.

**Mr TELFER:** I am asking you.

**The Hon. N.D. CHAMPION:** I would characterise it as a reflection of the lifting construction costs, which everybody understands has occurred since May 2022 when the program was envisaged.

**Mr TELFER:** What measures are in place to ensure that these funds directly contribute to overcoming cost increases without compromising project quality or timelines?

**The Hon. N.D. CHAMPION:** There are a range of accountability measures within the South Australian Housing Authority, a whole range of frameworks around accountability to make sure that we get value for money. There is the board of the Trust, there is me as minister and, finally, the Premier's Delivery Unit to make sure that we deliver those houses on time and within the budget parameters that are outlined in the budget papers. Everybody understands that construction costs have gone up, material costs have gone up, skills have gone up. If you talk to any of the builders around the place, people are finding it very hard to keep skilled workers.

**Mr TELFER:** You mentioned the Premier's Delivery Unit. What role do they play in this space?

**The Hon. N.D. CHAMPION:** They make sure that we keep our election commitments.

**Mr TELFER:** On that, your election commitment was that 400 new homes would be built, including 250 in metropolitan Adelaide and 150 in regional South Australia. How many of these houses have been built to date, and in what areas?

**The Hon. N.D. CHAMPION:** Sure. I did look at the breakdown. Of the target, the PHIP 400, we are actually building 437. We have allocated the land, we have tendered 303 of them or the Trust has, under construction 110, and completed 102.

**Mr TELFER:** And the split between metropolitan Adelaide and regional South Australia?

**The Hon. N.D. CHAMPION:** Remains the same.

**Mr TELFER:** Out of the 110 or the 102?

**The Hon. N.D. CHAMPION:** I will take it on notice to let you know. You want to know in which country towns. You want to know where they are.

**Mr TELFER:** Yes. Where they are and also whether you have started all the ones in the metro area and not the ones in regional areas or vice versa. Out of the 110 and 102 that you spoke about, the breakdown between all of them.

**The Hon. N.D. CHAMPION:** I think you will find the program is pretty consistent, regional to city, but we will get you the breakdown.

**Mr TELFER:** I appreciate that. Turning to the Social Housing Accelerator payment.

**The Hon. N.D. CHAMPION:** Just on that, are you happy just town by town? You do not want streets?

**Mr TELFER:** No, I do not need street by street.

**The Hon. N.D. CHAMPION:** I thought I would double-check.

**Mr TELFER:** Yes, town by town, suburb by suburb is suitable. I do not need physical addresses. I will continue on with the Social Housing Accelerator payment aspect on page 68, which states:

This initiative provides \$135.8 million over five years to 2027-28 to build and upgrade around 442 additional social housing dwellings by 30 June 2028 funded from the Commonwealth Government's Social Housing Accelerator Payment. Under the agreement, the funding is being distributed across five SAHA and nine community housing projects.

Can the minister provide a detailed plan on how these funds will be allocated and utilised across different regional housing projects?

**The Hon. N.D. CHAMPION:** We are still in some negotiations with some of them, so some of it might be commercial-in-confidence and I would rather take that on notice. We did outline in the press release, I think, the number of projects and where they will be. We are confident that this will be a good program. It will unleash a lot of opportunity for people through the CHP system, and they are all good projects. The total social outcomes for the CHP side of things is 199 outcomes and 297 people, so these are good programs.

Of course, there are our own projects: the Seaton apartments, the refurbishment of the Glengowrie walk-up flats, Anzac Highway, Camden Park, the refurbishment of Drew Court (which I know one of the members in the room is very interested in) and some modular homes in Ceduna for the Aboriginal community there. They are all good programs: 192 outcomes and 354 people housed.

**Mr TELFER:** With an acceleration project such as this there is obviously additional strain on existing resources. Are there any additional measures that you, as minister, or the department have put in place to make sure the accountability around the financial management and the efficient use of funds is appropriately in place for these intended housing projects?

**The Hon. N.D. CHAMPION:** First of all, these all relate to commonwealth programs. There is a commonwealth funding deed, which brings certain levels of accountability to the state and to the CHP partners involved. The strength is in the diversity of the program. We are doing some public housing and we are doing some CHPs. The CHPs all have their boards, they all have their bankers, and they all have a funding deed. There is a value in the diversity in terms of the capacity it brings to the delivery. We are confident that they will all be delivered and delivered on time with the right set of outcomes.

**Mr TELFER:** Are there any plans or contingencies in place to address any unforeseen cost increases, budget overruns or project delays?

**The Hon. N.D. CHAMPION:** Once we have reached an agreement with the CHPs, we do not anticipate there will be any unforeseen issues with cost because all of that would have been accommodated through the process that we have undertaken to date.

**Mr TELFER:** Are there key milestones in place for this project?

**The Hon. N.D. CHAMPION:** I think Mr Buchan has gone into great detail, but essentially there are a range of accountability measures in the contracts. The South Australian Housing Authority has a long history of dealing with community housing providers. Community housing providers want to provide community housing and they have become pretty good at it over the last few years, so we are confident that all these projects will meet their deadlines and targets.

**Mr TELFER:** What are the key milestones for this project?

**The Hon. N.D. CHAMPION:** There are a range of accountability measures but, essentially, the important ones are the completion date and outcomes.

**Mr TELFER:** Outcomes being delivered in budget?

**The Hon. N.D. CHAMPION:** Yes, delivered in budget and people housed—social outcomes.

**Mr TELFER:** To the standard that was planned in the first place?

**The Hon. N.D. CHAMPION:** Yes, that is right. You are not going to have a moving feast, are you?

**Mr TELFER:** At the moment, minister, unfortunately, we do have a bit of a moving feast in this space as far as cost and the challenges around this space. This is what I am trying to work out: some of those accountability measures in particular.

**The Hon. N.D. CHAMPION:** I think now people are aware of the cost environment, which was not true a couple of years ago. People could not have anticipated the cost environment during COVID, with the collapse in supply chains and the like. We are confident that there are a range of

agreements that anticipate the sort of prices that they will have on each project and the agreements will outline that and they will deliver on the agreements.

You are asking me, essentially, to give you—and we have been through this before. You can ask over and over again, but we are confident that we have agreements with the community housing providers that mean that these projects come in as we have anticipated. We will give you a list on notice of those projects and social outcomes for the projects we can, and for those we are trying to get financial close on we will do that when they are completed, and then you will, like everybody else, be able to hold us accountable in a year's time or so.

**Mr TELFER:** Sure. I will continue on, minister. An aspect that I know would be front of mind for you as the minister, but also has received some public commentary, is the recent reports about tradespeople not being paid for maintenance jobs. How does the government plan to address those reports, which are potentially contributing to a worsening housing shortage crisis?

**The Hon. N.D. CHAMPION:** Of course, I have asked for a number of briefings on maintenance—although *The Advertiser's* reporting was *The Advertiser's* reporting. Many members have raised it with me and it is obviously an issue. I met with Mr Buchan and Mr Hayward and other executives in the South Australian Housing Authority about this. It would be fair to say they already had an improvement plan in place and had already applied some abatements, and had already done a great deal of thinking about how they would address it, but I have also asked the chairs of the various components of HUD, led by the chair of the South Australian Housing Trust, and also Allan Holmes and Stephen Hains, to have a broader look at the contracts.

The reason why I have done that is that, while I have great faith in the Housing Trust to deliver within the framework—and the framework has improved, particularly in priority 1—we have this issue, and it is a looming issue I think, which I am concerned about, which is we want to get vacant homes back into the system as quickly as possible but the age of Housing Trust stock is, on average, 44 years. We are dealing with a very old set of housing stock and that has been an issue for governments of all parties over the years, but that problem is only going to get worse.

The older the house, the higher the maintenance cost. The older your housing stock across your portfolio, the bigger challenge that is. The homes, when they become vacant, need more work to give them more life and you need renewal programs as well going on top of that. So that is an issue of concern for me and then the other issue I think that we have is there is a skills problem and a trades problem through the economy. We have to train more plumbers, more electricians and we have to do a better job of getting building trades going.

There are a whole range of programs both in industry and in government to do that, but my concern is that we need to be able to assure ourselves that in three, four, five or 10 years, as the age of housing accelerates, we still have a contractor base. That is why I have asked for the broader look at the maintenance contracts—not so much a reflection of the current contract as a contract in what has been a different environment from what anyone would have envisaged.

**Mr TELFER:** I will come back to the vacancy stuff in a bit, because it is important, but continuing on the payment delays: can the minister provide an explanation for the delays in payments to contractors and the steps that have been put in place to resolve the issues and support the affected tradespeople?

**The Hon. N.D. CHAMPION:** There is a dispute around 1 per cent of payments that are made, and typically that is about certification of work. We always want to make sure people are paid appropriately for their work, but they have to certify it too. There has to be an accountability mechanism on the Trust and the government more generally. There also has to be accountability in the system to make sure work is done to the standard that would be expected.

**Mr TELFER:** Is the 1 per cent dispute on certification with the tradespeople or the businesses with the contractor or between the contractor and the government?

**The Hon. N.D. CHAMPION:** Typically, yes, it is between the head contractor and the subbie.

**Mr TELFER:** Sure. Have any immediate actions been put in place to try to facilitate appropriately looking at that 1 per cent that could be driven by the department? Are there any additional measures, tightening or enforcement of different aspects of the contract?

**The Hon. N.D. CHAMPION:** Accountability is getting better because I think people take photos of their work, typically. With a phone these days you can take a lot of photos of your work, but I do not think there is a system in the world that could grind every dispute out of the system. The review will look at it and, if I get a sense that there is a better way—obviously we do not want to be in dispute with anybody. We just want the work done, and done to a good standard.

**Mr TELFER:** The review is looking at the overall, and it is important to make sure the system is working effectively. With the 1 per cent you spoke about, have any additional steps been put in place by the department for them, or is this just trying to work through the system currently?

**The Hon. N.D. CHAMPION:** I think they are doing a lot of work trying to get better relationships and the like. The chief executive just told me there are 150,000 work orders. You cannot design a system with that volume of work that will be perfect, but we want to get better. We are going to have a review. The three chairs of the component bring together a set of skills and rigour that I think the parliament can have confidence in.

**Mr TELFER:** Going back to the point you were making before about the vacant public housing properties, does the minister have an up-to-date number of vacant properties?

**The Hon. N.D. CHAMPION:** I will read this out for you. As of 30 April 2024, across the total public housing portfolio of 32,770, there were 308 offerable vacant properties representing 0.9 per cent of the total public housing portfolio; 1,422 non-offerable vacant properties representing 4.3 per cent of the total public housing portfolio; and 67 other vacant properties representing 0.2 per cent of the portfolio.

**Mr TELFER:** With these vacancies, is there a more acute—as a percentage of the stock in different areas—load carried at the moment within regional areas as opposed to metro? It is a conversation that the Chair and I often have. You spoke about the 44-year average, but there are certain areas of our state, especially in regional areas, that had significant investment in a block and I would suggest that they would be the ones that are lifting the average, with the age of some of these. Of those 1,422 plus the 67 vacancies, can I get a breakdown of those across the state?

**The Hon. N.D. CHAMPION:** We will try, but you have to remember that this will be a bit of a moving feast.

**Mr TELFER:** Yes, of course. It is always a point in time.

**The Hon. N.D. CHAMPION:** That is right. There are things I notice and I suppose the member notices, and in regional towns it will be more noticeable, but I get letters all the time—I got one just the other day—saying, 'I am homeless and I would like this house on this street because I have noticed it's empty.' Then you will find that it has actually been tenanted or that it is due for significant renovation works, or there is some other issue with it.

It would be fair to say that some of the walk-up flats are hard to tenant, and have maintenance issues. Is this a function of the broader challenge? You have to be a bit careful about the average age and all the rest of it. There might be a medium, mean and mode as we know but, essentially, the point is that back in the fifties, the sixties and the seventies, and right up to the eighties, the commonwealth was quite generous with loans to the state. There was a different public housing policy at the commonwealth level and we built a lot of homes, and now we are dealing with the legacy of that.

It is going to be one of the challenges as we go forward, and it is one of the reasons that the Housing Trust, as it is now going to be known, is in the broader housing portfolio. Where we have opportunities to renew stock, where we have these big opportunities to build more stock, then that is an opportunity for us to do a bit of broader renewal as well. To a very large problem, we are trying to bring a new lens to look at it.

**Mr TELFER:** For clarification, the 1,422 non-tenantable vacants are houses that require maintenance but are able to be restored to a point of being able to be offered?



**The Hon. N.D. CHAMPION:** Typically, mainly bathroom upgrades and kitchen upgrades. You would be aware of the sort of work that you have to do to a home to get it back up to scratch. One of my lessons learnt from the briefings is that we are really trying to get those houses up to a particular point and then tenant them.

It might be that just because of the busyness of the industry, and the system more generally, we might have to say, 'We are going to tenant them and then someone will come in and do the kitchen afterwards or paint it afterwards or something like that.' We are going to have to start being a bit more flexible with tenants and find tenants who are up for that challenge, but that will not be easy.

There will be some works where it is just better to leave the house tenanted and do one of two things: either we have to get better at getting the trades in there in one hit, or we have to get better at managing tenants and large maintenance projects if we want to get that figure down.

**Mr TELFER:** So then of the '67 other vacant', am I right to assume that they are basically at the point where they are not going to be able to be restored to a point to be tenanted, to write them off as an option, condemned?

**The Hon. N.D. CHAMPION:** So 'other' is that we have decided not to re-tenant, but that might be due to tenant welfare, demolition or agreements with other agencies as part of an urban renewal project, like Seaton, for instance. If you have a house in the next stage of Seaton, it is probably better to just not tenant it. The worst thing in urban renewal projects is where you have untenanted houses that are just sitting there. If you are going to not tenant them again, you have to get on with demo.

**Mr TELFER:** So then, minister, of the 308 vacant, ready to be tenanted, is that number reasonably static? Is this just a symptom of having to go through the process, which I know is a complex one, to work out who reaches the top of the list? Is 308 normal? Is it the 1 per cent carry through that you usually carry?

**The Hon. N.D. CHAMPION:** To a certain extent. If you have 33,000-odd properties, you are going to have a vacancy rate at some point. The chief executive was just informing me that it does depend a bit on category. Walk-up flats, particularly unrestored walk-up flats, where there has been a history of antisocial behaviour or difficulties are hard to tenant; there are so surprises there. It is a bit of a tragedy because, if they are properly curated and properly tenanted, I think they could be a real jewel in the crown of the Trust. It is one area that I plan to pay particular attention to. If it is a three-bedroom house, they are gone in less than seven days. Again, this will get back to demand from the would-be tenant base.

**Mr TELFER:** Minister, you sort of touched on another subject that has been front and centre: antisocial behaviour. What measures are in place to address and reduce the incidence of antisocial behaviour in public housing areas and how will these measures be enforced?

**The Hon. N.D. CHAMPION:** I will answer this in two parts. The first thing is that there has been no change between the policies from the previous government to this government, but let me say this: nothing makes me more concerned than antisocial behaviour in public housing because it reduces our ability to build public confidence in public housing and, most importantly, public consent to build it in their neighbourhood. This is an area that I am going to pay particular attention to. I have already had briefings where I have made it clear that I am interested in options that will push the rates of antisocial behaviour down and make it clear to everybody in no uncertain terms that it is not acceptable because it stops us building public housing and that is a problem.

**Mr TELFER:** You said there has not been a change in the management of it, so you are foreshadowing that you see the need, which is not decreasing, to change the management processes within public housing?

**The Hon. N.D. CHAMPION:** What I am flagging is that there is going to be a need to clearly express and enforce a policy which says to people that, if you are coming into a highly subsidised housing system and you are getting the benefit of that, it ain't one way. If you are coming in and you have rights, you have responsibilities. Your rights end where another tenant's rights begin.

People have an obligation to live next door to other Trust tenants in the system, in a tenancy, and they have a right to live quiet and peaceful lives without antisocial behaviour. We have to have a pretty strict policy and have good enforcement. We have good relationships with police. I am not knocking the Trust. I think they deal with this in the context and with the processes that have been in place, but I am looking for other reform options that will make sure that we decrease the incidence of antisocial behaviour in and around Trust properties.

These are great assets to the state, and we need to make sure that they are utilised in a good way. People engaging in antisocial behaviour and crime and other things does not help confidence in the system. Every front bar and every shopping centre has a story of something that happened 20 years ago or something that happened five years ago, and it is unfair on the vast majority of Trust tenants who are really good tenants, who pay their rent every week, who are good citizens and who do not deserve to be either living with or tarred with the reputational damage of antisocial behaviour.

I am going to think carefully about it. I think more broadly we have to think very carefully about a process that has been going on since John Howard was Prime Minister. In 1999, he made a bunch of changes which shifted public housing away from being broad-based, public good, which was accessible by a range of people, including low income workers and pensioners, a whole range of other people on low incomes, to a system that was more aligned with the deinstitutionalisation policies of the 1980s and 1990s.

I think we have to think carefully about all of that, to be fair to the Trust tenants who are in there, and to be fair with people who often have highly complex needs, who need supported arrangements, supported housing arrangements. Part of the broader renewal program is going to have to take that into account.

**Mr TELFER:** Is there any specialised dispute resolution training that is provided to Housing Trust staff to make sure that they are well-equipped to deal with this ever-increasing challenge of antisocial behaviour, and is there a clear process for escalation, if necessary?

**The Hon. N.D. CHAMPION:** There is a compliance unit and a regional response team and there is a good relationship with police. We should point out that the Housing Trust cannot deal with criminal matters; that is SAPOL's job. As I said before, every week I get a letter—multiple letters—about issues about antisocial behaviour in public housing. Sometimes it is outside of public housing too. We would not want to think that this is just in the public housing system, but we do need to address it where we can and have stronger policies, better enforcement and housing stock that reflects the difficulties that some tenants have and gives them the appropriate supports as well.

**Mr TELFER:** I certainly respect that process. I am just keen on getting an understanding of it, because it is not always black and white, especially when you are working with people in vulnerable situations who may have disputes or otherwise with people within the same footprint. I am interested in the specific training or equipping of the Housing Trust case managers who have to deal with it.

**The Hon. N.D. CHAMPION:** I am happy to deal with it on notice. I am concerned about that as well. In a housing system that has 33,000 properties and over 50,000 tenants, there is going to be a bit of friction from time to time. In truth, most of that is dealt with pretty professionally and is ironed out, but I just think you have to have a clear statement of what is acceptable and what is not. I think we need to reduce antisocial behaviour and the incidence of it, and criminal behaviour and the incidence of it, where we can in our public housing system.

**Mr TELFER:** I double back to the vacancy challenges. Is there a measure that the Trust has—and that as the minister you have the ability to put your hand on—on the average length of time that a public housing property remains vacant before being reoccupied?

**The Hon. N.D. CHAMPION:** We do not, at the moment, because there are a range of properties needing a range of works, and the categories do not—there has been an improvement in priority 1. At the moment, the vacant properties are essentially in the single maintenance contract and the single system. So that is where we are at, at the moment. At any point in time that you might ask, we would have to give you a retrospective picture of what was going on; in this case, it is April,

but I am certainly happy to provide those figures. We can give you a retrospective picture of what has been going on.

**Mr TELFER:** Obviously, it is always a point in time. I am trying to get an understanding of the way that the Trust manages these processes and make sure there is accountability so that there are not ones that slip through because, like you were saying, with the letters you get and the letters we get as local members, the accountability that we need to have as elected members to our community are built around those sorts of accountabilities.

**The Hon. N.D. CHAMPION:** I think the issue with vacant properties is there are often multiple work orders which are all individually part of the performance management framework, so you might have a kitchen to be painted, and they might all meet their thing, but it is one property. If you are living across the road from 32 Sam Street—

**Mr TELFER:** Sounds like a nice street.

**The Hon. N.D. CHAMPION:** It is a great street; there is one troublemaker on it. You will see the painter come one day and three weeks later the kitchen might get done, so you are not getting a sense of what you might get on a private restoration project, but even most private restoration projects have a series of works done on them. It is an issue that the review will look at, I think, about whether or not we need to have a stronger approach to vacant properties and what that would be.

**Mr TELFER:** I move on to page 69, which has the social housing energy upgrade initiative. Is this initiative the only program dedicated to the improvement and upgrade of public and community housing?

**The Hon. N.D. CHAMPION:** There is the Virtual Power Plant (VPP) program which has batteries and solar panels, where appropriate, and there is a commonwealth one. I think we are in negotiations with the commonwealth at the moment about completing that.

**Mr TELFER:** Will these upgrades directly benefit tenants in terms of reduced living costs and improved living conditions?

**The Hon. N.D. CHAMPION:** It will be a big benefit to tenants. This is an issue we were talking about before with the national construction standard. Most homes built before the current standard are lucky to get 1½ stars. Even the old bungalows that people love so much and think are so terribly thermally efficient in actual fact leak like sieves and once they get hot, they stay hot. This will be like going from a one-star to a four-star, and you also get the benefit of halogen lights and efficiencies. Of course, when your thermal efficiency is improved you have to turn on your heater less and your air conditioner less.

As I said before, I was with the member for Norwood not so long ago, and one of the Trust tenants in the area invited me in and was showing me around, and it was freezing cold. I have lived in houses like that out in Kenner Street, Elizabeth Downs, and a few other places in my youth, and you just remember how cold they were and how thermally inefficient they were and how much you had to run heaters and all the rest of it. So there will be big benefits for tenants just in their general everyday living and comfort.

**Mr TELFER:** Are there any projected energy and cost savings? Are there expected savings? Is there a dollar figure, or how will these savings be measured and reported?

**The Hon. N.D. CHAMPION:** VPP is \$500 a year—we will get you the exact figure but around that mark—and they are just doing the analysis of the fed one as well. So perhaps we can take that on notice and provide you with an exact figure all up.

**Mr TELFER:** I appreciate that. Regarding the point you made earlier about management of disruption for tenants in houses, this is another aspect on top: how does the government plan to integrate the energy upgrade initiative with other ongoing maintenance programs to ensure a holistic approach to property upkeep?

**The Hon. N.D. CHAMPION:** It will just knit in with our ongoing strategy for maintenance. It will not be perfect, but where we can we will make sure the things work together. But when you are dealing with such old housing stock—that is one of the reasons why we are having a review. I think

the Trust has done a pretty heroic job, but I want to get a full picture of the maintenance position that we are in, because as housing stock gets older the challenge gets greater.

**Mr TELFER:** How far is that review going to go? Are you going to go into each of the—what is your number—32,770—

**The Hon. N.D. CHAMPION:** No. It is the chairs of HUD, who are all very experienced people. I cannot speak more highly of Allan and Mary, Mary obviously leading this particular review as the chair of the Trust. But in Mary, Allan and Stephen you could not find a more experienced, wise set of people, and I am confident. Sometimes you give reviews which have quite strict criteria and time frames. These are practical people with a lot of experience. They will get down there, have a look at it and give us good advice about the big framework picture, because that is what we want them to do.

Frankly, Mark and Michael are doing this day-to-day grind of making sure the maintenance contracts work across a large property portfolio. I am confident we will be able to get you up-to-date figures and tell you how we are doing these things, and then we will get a big picture set of advice about it.

**Mr TELFER:** You say they will 'Get down, have a look at it.' At what level is that? Obviously, it is not at an individual house level. Is it going into each regional office or each specific office to say, 'Can you give us an on-the-ground assessment?'

**The Hon. N.D. CHAMPION:** It will be up to them, but my guess is there is a pile of reports. They are practical people. They do not have to go out and talk to every housing officer. They will give us a good analysis of the system, of its strengths and weaknesses. This probably should have been done a while ago, in regard to what is the best way to deal with this going forward and to deal with these issues, because everybody in this parliament has sent me a letter at one time or another about housing maintenance in the public housing system.

**Mr TELFER:** And you have only been minister for a short period of time.

**The Hon. N.D. CHAMPION:** Yes, that is right, and I know who is busy as a result and who is not.

**Mr TELFER:** I am just trying to understand. You talk about what the broad output is going to be. The asset assessment process is really what I am interested in, because it is only with appropriate accurate data in that we are going to get a fulsome understanding of where the stock is at.

**The CHAIR:** With this response, it will be the close of the session.

**The Hon. N.D. CHAMPION:** I am happy to come back and give the opposition a briefing at some point about what we hope to achieve. Essentially, there is a lot of work and a lot of information in the system. It is about analysing that in a broad way, and a bit of blue-sky thinking from outside the Housing Trust. As I said before, the Trust is doing a pretty good job with a system that is ageing and under stress.

**The CHAIR:** Thank you, minister. The time allotted having expired, I declare the examination of the portfolio of the South Australian Housing Authority and Affordable Housing complete. The examination of the proposed payments for the Department for Trade and Investment and Administered Items for the Department for Trade and Investment are now complete. Once again, I thank the public servants, I thank the departing members for their contribution today and here we are coming into the final straight. Once upon a time I used to be an endurance athlete, and I tell you what, this is endurance.

#### **Membership:**

Mr Batty substituted for Mr Pederick.

Mr Cowdrey substituted for Mr Telfer.

**Departmental Advisers:**

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

Mr D. Ryan, Chief Executive, SA Water.

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

Ms A. Christie, Senior Manager, Finance and Business Partnering, SA Water.

Ms A. Lewry, General Manager, Sustainable Infrastructure, SA Water.

**The CHAIR:** The portfolio is SA Water. The minister appearing is the Minister for Housing and Urban Development. I declare the proposed payment open for examination. I invite the minister to make opening comments, if he so wishes, and to introduce the new people with him. If the opposition wants to make an opening statement as well, I extend the same courtesy to them.

**The Hon. N.D. CHAMPION:** We might just go straight to questions, but I will do introductions first. We have from left to right, Mr David Reynolds, Chief Executive, DTI; David Ryan, Chief Executive, SA Water; and Jacqueline Guerin, Chief Financial Officer. Behind us are Anushka Christie, Senior Manager, Finance and Business Partnering; and Amanda Lewry, General Manager, Sustainable Infrastructure. I would like to thank SA Water—all the employees and Mr Ryan—for the great work they are doing. I will go straight to questions.

**Mr COWDREY:** I refer to Budget Paper 3, page 71, in particular regarding SA Water's annual programs. Minister, when was the issue of water infrastructure upgrades being necessary to allow continued connections in the north first raised with the government?

**The Hon. N.D. CHAMPION:** As far back as I can tell, the first time the growth infrastructure was raised with a government was in 2020. The UDIA wrote to ESCOSA—I think I have read that letter out to parliament—and I have found some other material as well, where the Property Council, the UDIA, as part of their stakeholder engagement in 2020, raised those issues with government at that time. Of course, inadequate growth infrastructure was put in place in that regulatory period.

In terms of what has happened, in my role as Minister for Planning I have had many developers raise with me over time, since I was appointed, various issues around the provision of water and also the tankering of sewage in the northern suburbs. It was one of the reasons I appointed the Housing, Infrastructure, Planning and Development Unit, and I think I appointed HIPDU around the same time as the government did its land release announcement for Concordia, Sellicks Beach, Dry Creek and Hackham.

I was concerned generally, not just about water and sewer. I was concerned about SAPN, I had issues with NBN being raised with me, I had issues of telecommunications, DIT. I had local members asking me about these things, and we had two legacy growth fronts—Mount Barker and Angle Vale—where it was just apparent that the provision of infrastructure was wrong. I have talked to Mr Reynolds many times about this.

In terms of SA Water, bits and pieces from around the time of the land releases to about six months ago, I think—or maybe a bit longer than that, I would have to get some dates for you—were that were issues around that we were hitting tanker capacity. Riverlea was the first, from memory, and then, secondly, I heard that actually there were tankering issues at Angle Vale, issues beyond the normal; we knew they were tankering at Angle Vale, but it was that we had reached capacity.

Then six months ago, I suppose, I started having conversations with SA Water in a semi-detailed way, and for the last three months, particularly since I have been minister, I have been asking about infrastructure across not only the Greater Adelaide region but more broadly across regional South Australia as well. Of course, because I am housing minister, the first question I now ask Mr Ryan, whenever there is a significant housing release, is: do we have capacity?

**Mr COWDREY:** So your answer to this point is that you believe that the moment you came to government you were aware.

**The Hon. N.D. CHAMPION:** No; you did not listen to what I was saying. Come on—

**Mr COWDREY:** I did listen to what you were saying.

**The Hon. N.D. CHAMPION:** I did not say that.

**Mr COWDREY:** You said that the government was aware of an issue—

**The Hon. N.D. CHAMPION:** I said that developers were raising issues with me. That is different, is it not?

**Mr COWDREY:** Right, okay. So you were not aware until after or around the time of the land release?

**The Hon. N.D. CHAMPION:** The way I would describe it to you is that developers raised it. The Premier himself said this in the road map speech; I do not know if the honourable member was there yesterday. Normally issues get thrown up to government. In this case, what we have done is we made inquiries, through the appointment of HIPDU, through our own inquiries, about the state of the capacity of the system we are in. That is how we discovered we are at the absolute limits of our capacity in the northern suburbs.

We discovered the completely inadequate investment that was made by the previous government, and it makes me furious that you should have the temerity and the front to come in here with this sort of try on. As part of the \$59 million at Angle Vale that we are spending, we are replacing a sewer pump that was put in in 2021. We are upgrading a sewer pump that was put in three years ago. It is madness. So if you want to have a debate about this, let's go. Who knew what when? Let's have that debate.

**Mr COWDREY:** Happy to, minister. What questions were asked by government to SA Water prior to the land release announcement in the budget last year? You have just said that your question to—

**The Hon. N.D. CHAMPION:** You get one question, I can confer, then you can ask another question. That is the way it works. You can ask me two questions if you want, but you will not get the first one answered. Do you want to wait?

**Mr COWDREY:** I am in your hands, minister.

**The Hon. N.D. CHAMPION:** If you take each of the government land releases—Hackham, Concordia, Dry Creek and Sellicks Beach—when you then turn to the code amendment process, and members would be aware of this, the minister initiates them and writes to either the private proponent or, in this case, to the chief executive of DTI. In Hackham's case it is to the private proponent because that is a privately initiated code amendment. In the case of the government-led code amendments, it is the chief executive of DTI.

What happens is that process is initiated, then you talk to not just SA Water but all of the other infrastructure providers. With Concordia, it is an inherent part of the process. Of course, we consult with SA Water before we initiate those processes, but there is a level of detail with these things.

What has been exposed across the north is that the greater we examined the capacity of the system, the more concerned we became. The more we asked—this is post the government's land release—the more alarming the state of play. What became apparent is that when you are talking about the Salisbury trunk main—tanks at Sandy Creek, Craigmore—large trunk capacity had just not been addressed by governments in the past.

**Mr COWDREY:** What advice did government receive from SA Water in terms of the cost to connect all of the government's announced land releases?

**The Hon. N.D. CHAMPION:** As I said before, you are not going to get the cost for Concordia at the beginning of the process because—and it is quite clear—you have to go through a code amendment stage where you talk about infrastructure capacity, then you have to go to a land division stage, and it is around the end of the land division stage that you will get an accurate costing. I can tell you about Concordia, if you want to talk about Concordia.

**Mr COWDREY:** No, I would like to talk about the accurate costing that you just referenced. Do you have an inaccurate costing that was provided to government prior to the announcement of the land release?

**The Hon. N.D. CHAMPION:** No. The further you are out from a project—you do understand how projects work, don't you?

**Mr COWDREY:** I am aware of—

**The Hon. N.D. CHAMPION:** Do you understand how rezonings work? I am not sure the honourable member does understand how a rezoning works. You are not going to get a detailed—imagine the complexities of a—

**Mr COWDREY:** I am not asking for a detailed estimate, minister.

**The Hon. N.D. CHAMPION:** You are.

**Mr COWDREY:** I am asking for the estimate that was provided to government at the time of the cost for SA Water connections for the land releases.

**The Hon. N.D. CHAMPION:** At the beginning of a code amendment, what you are going to get is advice about: do we have capacity or do we not?

**Mr COWDREY:** What was that advice?

**The Hon. N.D. CHAMPION:** I can tell you what has happened since the government's code—

**Mr COWDREY:** I am not interested in since. What was the advice to you when the land releases were announced?

**The Hon. N.D. CHAMPION:** I am just saying this to you: when we make a process to release land, the government says, 'Here's what we are going to do.' Then you go into a code amendment process and, as part of that code amendment process, whoever the proponent is discusses these things with SA Water.

In the case of Concordia, the code amendment process is currently in place. We are actually still in it. We have not completed that process. The only completed code amendment process is for Hackham. We have discussed water at Hackham, and we do have a completed outlook there. But what is clear is that you have no hope of getting water at Concordia unless you fix the backbone issues: the Salisbury trunk main and all the other infrastructure to the existing growth front in the north, which, as I said before, we have been asking detailed questions about, particularly over the last three months.

**Mr COWDREY:** Minister, you just provided evidence that you were provided an indication by SA Water, prior to the announcement of the land releases, as to whether there was capacity in the system or not. What was that advice?

**The Hon. N.D. CHAMPION:** Certainly at the early stage of the code amendment they give high-level advice about where the water main is, or where the sewerage main is, in that area. As the code amendment continues and as the land division occurs they work with developers, whoever that might be, to give a detailed infrastructure outcome and a cost.

**Mr COWDREY:** Minister, you just said to the committee, you provided evidence, that there was an answer to you as to whether there was capacity or not. Was that answer—

**The Hon. N.D. CHAMPION:** Yes, as in: is there a water main there? Is there a sewer main there? That is high-level advice.

**Mr COWDREY:** No, a water main is different from capacity, minister. You know that and I know that.

**The Hon. N.D. CHAMPION:** I think you are twisting my answers and engaging in debate.

**Mr COWDREY:** So you were never provided an indication by SA Water, prior to the announcement of the land releases, as to whether there is enough capacity to service them? It is a pretty simple question: yes or no.

**The Hon. N.D. CHAMPION:** The member clearly does not understand the code amendment process. I do not know how many times we can say this.

**Mr COWDREY:** We can go back over this or not. So the answer is: the government did not answer the question.

**The Hon. N.D. CHAMPION:** Just understand this: there is high-level advice about where the mains are at the start of the code amendment.

**Mr COWDREY:** That was not your evidence five minutes ago, minister.

**The Hon. N.D. CHAMPION:** With due respect, it is. We can go back and look. It will all be in *Hansard*. We can go back over it. Just understand this: it is high-level advice at the start and it gets more detailed in costing as time goes on.

**Mr COWDREY:** I am aware of that. I am asking for the initial advice—

**The Hon. N.D. CHAMPION:** Given the previous government did not release any land, I would not expect you to understand any of this.

**Mr COWDREY:** We will get to that in a moment, minister.

**The Hon. N.D. CHAMPION:** You did not release any land, so you never had to worry about infrastructure. As it turns out, you did not even worry about infrastructure for land that was zoned.

**Mr COWDREY:** Minister, I want to take you to the issue of the immediate halting of DAFIs. It is again the same reference. In the budget paper it references that, for this financial year, SA Water's profits are up. Also, if you take a look at page 49, it references the dividend contribution of SA Water to government.

My question is very simple: the previous water minister made an updated section 6 ministerial direction in regard to Cape Jaffa when there was an issue that was clear there. I am sure you have read the 2024-28 Regulatory Business Plan in detail. There is a warning at page 58 of that document about the increasing risk off the back of what has been described by SA Water as 'unprecedented growth' on the back of COVID, population change and the pull forward of housing construction due to HomeBuilder.

Outlined, significantly, in your organisation's own regulatory business plan there is a warning at page 58 of that document about an increasing risk to service level and that there may be, to some degree, some compromise of existing and new customer systems and, in particular, that service augmentation may be necessary to allow continued connections.

My question to you is this: in the context of you now having said that you are aware that there were significant issues in terms of DAFIs not being provided and connections being stopped, given the organisation's revenue is up, that the organisation is returning a dividend above expectation to government this financial year, why did you not start this process earlier? Why did you not put forward a ministerial direction to start the upgrade of some of this infrastructure? We could have saved, effectively, what has ground to a halt the development industry in the northern suburbs. You had the ability to take action, yet you have not.

**The Hon. N.D. CHAMPION:** In August 2023, we did do a section 6 and that put forward \$413 million, so we did do that. But I guess you are asking me why we did not fix a problem that previous governments did not fix. You are the one who referenced COVID and the unprecedented HomeBuilder. Everybody knew HomeBuilder was going crazy; you remember. You did not anticipate that that might cause an infrastructure problem. So we are fixing the problem, not putting a bandaid on it like previous governments.

**Mr COWDREY:** Minister, with all due respect, it is clear that connections were being undertaken during the time of the previous government. It is clear that over the last six months those connections have been denied. You have not given me a reason why this was not possible, to put a



section 6 in, to provide funding, whether that be through contingency, through general revenue, over the last six months to start this process.

Instead, the government has let construction in the northern suburbs effectively grind to a halt. Why did the minister not provide a section 6 direction and start this process when it became evident? As the Treasurer has said, he was not aware that there was an issue until a year ago, yet somehow you hold the previous government to a different standard and we should have known something that he did not and you did not a year ago.

**The Hon. N.D. CHAMPION:** If you look at what has been happening at places like Angle Vale, there has been tankering. The previous government spent about \$20 million, so you put in a bunch of essentially short-term bandaids to keep the whole show rolling. One of the things we have done is we have brought forward \$56 million to do the planning. Today, I went out and had a look at the pipes that we have just ordered—huge water mains pipes; 1,200-millimetre diameter pipes. The last time we ordered these pipes—this is important—was 10 years ago. So you can snigger and laugh and act like it is a big game but we are ordering big pipes and you were putting bandaids on. So that is the answer. We are going to do the job properly.

**Mr COWDREY:** You see, minister, you still have not answered my question: why did you not initiate a section 6 and start this process six months ago?

**The Hon. N.D. CHAMPION:** I just told you five seconds ago that we did and we brought forward \$56 million, which is being used for planning and to purchase pipes.

**Mr COWDREY:** I will turn to network growth. Actually, first perhaps let's go to the dividend issue. I refer you to page 49, SA Water, within the table. Why are you jacking up water bills for South Australians yet increasing the amount that SA Water is returning to government next financial year, the year after, the year after that and the year after that?

**The Hon. N.D. CHAMPION:** Some of that dividend figure is a function of growth. When developers gift assets to us, as part of that, that counts for dividend growth. So the growth of housing is going to drive up the dividend to government and, likewise, DIT and third-party works do a similar process, and that is a longstanding dividend policy.

**Mr COWDREY:** Yes, but you are also jacking up water bills, which the former government did not.

**The Hon. N.D. CHAMPION:** Well, you did not put any infrastructure in either. If you do not put in infrastructure, it is pretty easy to cut water bills.

**Mr COWDREY:** Minister, I reject your assertion. I refer you to network growth, Budget Paper 3, page 71. The Premier stated yesterday, regarding this \$1.5 billion that is needed, that SA Water had only planned \$300 million worth of that work. Again, I reference the regulatory business plan, which I am sure you are well aware of. In my understanding of reading this document, at page 199 through to pages 200, 202 and 203, there is a section here that specifically indicates, in terms of network growth, that SA Water in the reg business plan is indicating that the requirement is \$625 million for network growth.

So I am a little confused by some of the stats that have been thrown around, in particular over the last 24 hours. There was a slide on the Premier's presentation yesterday that was essentially saying that SA Water had only planned \$300 million worth of spend, yet the government was now going to be spending \$1.5 billion. Most of these projects that are listed in this document are similar to those that were referenced yesterday as well. Can you provide an indication as to why there is a difference between what the Premier is quoting as SA Water's planned works and what the reg business plan states is the planned works by SA Water?

**The Hon. N.D. CHAMPION:** As I understand it, it refers to a whole range of works that are going on statewide, works at Bordertown and a range of other regional centres, and also the section 6 that we brought forward in that time.

**Mr COWDREY:** I refer to the direction that was provided yesterday. Again, this is Budget Paper 3, page 71, in terms of capital expenditure. How was the \$1.192 billion—for ease I will refer to it as \$1.2 billion—number arrived at, minister, in the ministerial direction?

**The Hon. N.D. CHAMPION:** We engaged with SA Water and with Mr Reynolds and a range of government agencies about what would effectively liberate the most amount of activity across a growth front. Essentially, it is upgrading the Salisbury trunk main and it is building, as I said before, large potable water pipes to Riverlea, which helps Eyre and Blakeview. That pipeline is running from Elizabeth East across to Riverlea. It is about upgrading sewer at Angle Vale and then it is about water tanks at Craigmore, Sandy Creek and Elizabeth East. It is a whole range of backbone infrastructure, I would call it, that will help growth in the northern suburbs, which is our major growth front. I should point out that we will also provide water upgrades for Hackham.

**Mr COWDREY:** Who costed those projects and can you identify them line by line—the projects involved and the cost associated with each project?

**The Hon. N.D. CHAMPION:** Part of that \$56 million that we were talking about before is the planning for all these projects. Of course, that was done by SA Water and then there was some review by ISA as well.

**Mr COWDREY:** Are you able to give us an indication: those projects that you have just outlined, they are, again, the total number of projects that fall within this bucket of money?

**The Hon. N.D. CHAMPION:** Would you like me to list them?

**Mr COWDREY:** Please.

**The Hon. N.D. CHAMPION:** Included in it is Angle Vale, which will be put in stage 1 design at the moment in 2024 and entering into construction in 2026; Angle Vale wastewater, 2024-25; Roseworthy water; Roseworthy wastewater; Riverlea water; Riverlea wastewater; Virginia; Gawler East; Two Wells; Hackham, two lots of potable and wastewater; connecting water to the Sandy Creek tank; connecting water to the Craigmore tank; connecting water to the Elizabeth East tank; connecting water to the Barossa trunk main; connecting wastewater to Munno Para; connecting wastewater to the Salisbury trunk main; and enabling infrastructure in the Barossa water treatment plant. There are some upgrades to Bolivar as well.

**Mr COWDREY:** Who costed those projects?

**The Hon. N.D. CHAMPION:** SA Water.

**Mr COWDREY:** So SA Water has costed those projects?

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

**Mr COWDREY:** Was there any third-party scrutiny in regard to the costings?

**The Hon. N.D. CHAMPION:** Infrastructure SA (ISA).

**Mr COWDREY:** Infrastructure SA. Has ESCOSA looked over the costings?

**The Hon. N.D. CHAMPION:** No, ESCOSA has not.

**Mr COWDREY:** Why is that the case?

**The Hon. N.D. CHAMPION:** Because it had been done through a section 6 and it is not required.

**Mr COWDREY:** Will you be asking ESCOSA to look at the costings?

**The Hon. N.D. CHAMPION:** No. I will be getting on with the job of fixing the mess that has been left to this government by the previous government. That is what we will be doing.

**Mr COWDREY:** That has nothing to do with what ESCOSA is doing.

**The Hon. N.D. CHAMPION:** You just said, 'That has nothing to do with what ESCOSA is doing.' Why would I refer it to them?

**Mr COWDREY:** No, I am saying your actions, that time for ESCOSA to undertake that, that is not going to impede anything. Are you going to ask ESCOSA to look at the costings of the \$1.2 billion?

**The Hon. N.D. CHAMPION:** No, I am not. I am going to get on with the job of fixing infrastructure across this state.

**Mr COWDREY:** In terms of the costing, I am keen to understand. There has been no quote, no market testing of the cost, it is simply internal SA Water developed costings that have been stress tested?

**The Hon. N.D. CHAMPION:** The stress testing is part of the procurement process we will undertake.

**Mr COWDREY:** So how many new connections are you expecting to flow from the \$1.2 billion spend?

**The Hon. N.D. CHAMPION:** These works help set up for future infrastructure growth. Ultimately, at 40,000, across the city and in the first instance across the growth front, there will be just over 11,000 potable water and about 8,000 wastewater.

**Mr COWDREY:** How many connections are you expecting in the coming financial year, in a couple of day's time, the year after and across the forward estimates? I am not speaking specifically in regard to the spend, but how many connections is SA Water estimating for the four years coming?

**The Hon. N.D. CHAMPION:** They have done 28,000 over the previous four years roughly and they are expecting 40,000 new connections over the next four.

**Mr COWDREY:** Is the 28,000 not inclusive of one financial year though? My understanding is that SA Water's connections for—

**The Hon. N.D. CHAMPION:** But this is new connections though.

**Mr COWDREY:** Yes, but historically—

**The Hon. N.D. CHAMPION:** We will take it on notice and give you a detailed answer.

**Mr COWDREY:** —2020-21 was 9,000, 2021-22 was roughly 9,000, 2022-23 was roughly 9,000—I expect it to be roughly 38,000 for the four years.

**The Hon. N.D. CHAMPION:** We will take it on notice.

**Mr COWDREY:** How does that number you have expressed, roughly 40,000, align with what is expected of the government in terms of new housing dwelling builds under the HAFF?

**The Hon. N.D. CHAMPION:** We will leave the HAFF to one side, because it is a federal program and we will have to wait to see the outcome of its first round. They are finalising that process now, the first round of HAFF. What you invite is—what happens if you shut the growth fund off for good, forever, because you do not put the infrastructure in? We know what that means: it means more general infill and ultimately more strategic infill within existing suburbs of Adelaide.

**Mr COWDREY:** From the \$1.2 billion that has been referenced—and you have just listed the projects involved—are you able to give an indication in terms of what developments specifically will be serviced by those? As I understand it, the slide the Premier had during the presentation referenced Angle Vale, Virginia, Riverlea, Gawler East, Roseworthy, Eyre, Blakeview; is that the conclusive list?

**The Hon. N.D. CHAMPION:** And Roseworthy, but there are a multitude of developers in Angle Vale. They are broadly the areas and then there will be a multitude of developers within those areas who will benefit.

**Mr COWDREY:** How does this affect Concordia, Dry Creek, Noarlunga Downs and Sellicks Beach?

**The Hon. N.D. CHAMPION:** Hackham is obviously at the end of the code amendment process and we are providing water under this program. Concordia would be impossible if we were not putting in place this infrastructure and so this is enabling infrastructure to let that occur when it emerges from the code amendment process in September 2025. Concordia is scheduled to get through the code amendment process at that point and then it has to go into land division and

engineering works and then it has to have civil infrastructure. So Concordia is following a program. After that, of course, it is dependent on private development activity.

Dry Creek, we have not even initiated the government's code amendment there. That is a complex site. Members would be aware that it is an extraordinarily complex site. It probably has the most potential of any of the sites, but it is also the most complex. Really, it is an urban renewal because it is an inactive salt mine at the moment.

Then for Sellicks Beach, we are working with the proponents—it is a government-led code amendment. In August 2025, we expect the code amendment to be done on Sellicks. Of course, then they will have to go into land division. As I understand it, we have anticipated what water provision would be for Sellicks Beach. At the moment, there is a community wastewater scheme that is run down there.

**Mr COWDREY:** Minister, you have anticipated water infrastructure prior to the code amendment process?

**The Hon. N.D. CHAMPION:** Broadly, but not down to the granular level. You do understand about how this works? At the code amendment—

**Mr COWDREY:** I understand that you are not interested in telling me whether there was capacity prior to you announcing the land releases.

**The Hon. N.D. CHAMPION:** No, you really actually have to—I do not know how many times we have to go through this.

**The CHAIR:** There is no point in talking over each other, so allow the minister to answer and then you can ask the next question.

**The Hon. N.D. CHAMPION:** It is tremendously important for members to understand what a code amendment does. It does a broad rezoning. You are looking at broad structure planning. You are looking at broad infrastructure issues. Land division is where you split it all up into blocks and land division is where you truly understand where all the pipes are going, where all the internal infrastructure is going, where the trunk is going, where the sewer pipe is going.

Most importantly, you get a bit of an indication from the developer or the private proponent about how quickly the growth is going to come on. So you plan for that. You had better plan for it a long way down the track, but it is at that land division stage that you would get those really granular costings.

**Mr COWDREY:** The evidence you have provided the committee today is that essentially the vast majority of the 23,000-odd homes that you announced in the land division are at earliest looking to exit code amendment just to the end of September 2025-26. None of these are coming on in the next four years.

You have referenced a whole range of land developments: Angle Vale, Virginia, Riverlea, Gawler East, Roseworthy, Eyre and Blakeview. Is that not the pipeline of greenfield development that you have been so critical of the former government not having in place?

**The Hon. N.D. CHAMPION:** Yes. You do understand how it works. One of the criticisms—

**Mr COWDREY:** I understand how it works, minister. You have brought forward an announcement for 23,000 homes, announcing a land release without having any planning in place as to what it was going to be because you wanted a headline.

**The Hon. N.D. CHAMPION:** As opposed to your government's approach, which was to never release any land at all and as a result never do any infrastructure spending at all.

**Mr COWDREY:** You have just put on record how land that is available will not be filled for the next four years. I am very confused about the point you are trying to make, minister.

**The Hon. N.D. CHAMPION:** Just understand this. We have a very good graph which shows the release of land and it does this: 2018 to 2022, it just goes into abeyance. No-one could have ever accused you of hunting a headline over land release when you were in government because you

never released any land, by your own admission, by your leader's own admission. Guess what your leader also did not do? He did not even put in any infrastructure for the land that was released.

I cannot wait to have this debate. Let's have it every day, because one of the things that you often ask is, 'Why aren't there any houses in Concordia or Hackham?' If you wanted houses in Concordia and Hackham, do you know when you should have released the land? In 2018, 2019 and then we would be seeing it now. It is a long-term process.

**Mr COWDREY:** Ahead of the list that we have just listed of housing developments that have not yet been sold or developed—

**The Hon. N.D. CHAMPION:** Because there is no water infrastructure to them.

**Mr COWDREY:** It only stopped three months ago, minister; let's be serious.

**The Hon. N.D. CHAMPION:** No, we reached the limits of our capacity of the system at that time.

**The CHAIR:** Let's get back to the budget lines. Time is running out.

**The Hon. N.D. CHAMPION:** We reached the limits of the capacity of our system.

**Mr COWDREY:** I will ask a very serious question of the minister and it is in regard to the chief executive of SA Water. Essentially, what you have done through ministerial direction is in complete contradiction to the regulatory business plan that was prepared by SA Water. By my read, the difference in the amount of money that you are seeking to invest in this infrastructure is roughly a \$600 million difference. In your view, there is a \$1.2 billion gap between what was projected. I ask you this in all sincerity, and I do not ask it lightly: do you have confidence in your chief executive given that, ultimately, he was responsible for the preparation of SA Water's regulatory plan?

**The Hon. N.D. CHAMPION:** I think you might have some confusion between nominal and actual spending, but we will take that bit on notice and will correct it clearly for you. But let me say this, and the Premier said this at the road map: nobody thinks that this a great situation to be in. It reflects a public policy failure over multiple governments. No-one is trying to run away from any of the responsibilities.

What we have committed to do is get on and build infrastructure that we think should have been built some time ago, maybe not the full lot but certainly elements of it. There should have been a spend all the way along on infrastructure in the northern suburbs, and in the south as well. If you try to reduce what is a broad public policy failure down to any one individual, with the exception of parliamentary debates and things like that, if you try to say, 'It's that person there. They are to blame,' it is just not fair on public servants or on the organisations or anything else.

I have absolute confidence in Mr Ryan and I will tell you why: because when we gave him the section 6 and gave him the capacity to do the planning and get those pipes—those pipes are made in Victoria; originally, they were supposed to come from Western Australia. You have to get a production slot on those pipes, and they are magnificent pipes. I will take you all out there to have a look if you like. They are massive pipes that are concrete but have a cover on them. We will get you the exact details. I never knew a pipe could look that great. It is terrific, and it made me excited.

But I did not order them, the chief executive ordered them. He is going to get the job done. There will be obligations on him going forward to put in place infrastructure and I know he is excited about it and he is committed to that infrastructure spend, and I know SA Water is excited and SA Water wants to get on with this job because they want to get back to the business of being a utility and putting in water that gives growth to the suburbs and gives people a chance to buy a house.

**Mr COWDREY:** Could I state for the record that I have complete confidence in Mr Ryan. I think the document that he has put out—

**The Hon. N.D. CHAMPION:** Good, a happy note of bipartisanship.

**Mr COWDREY:** I think he has prepared a thoughtful, well thought out, well researched document that points out the evidence, the events that led to the particular issue that we have today.

It is all encapsulated in that document without any shadow of a doubt, and I have confidence in SA Water to do what needs to be done.

**The Hon. N.D. CHAMPION:** Is this a question or just editorialising?

**The CHAIR:** Okay, the member for Narungga. Thank you for that statement.

**Mr ELLIS:** Thank you, Chair. I hope the committee indulges me. I would like to hark back to a list of the jobs that were going to be funded that the minister was reading out before, and the associated budget line that referenced. Forgive me for not being able to pull it up right now. We have issues in my electorate, too, with water supply, and developers who are seeking to subdivide recently altered land in our part of the world. Will there be any benefits that flow from this work all the way to Port Hughes and Daddow Court in Kadina, and those sorts of developments?

**The Hon. N.D. CHAMPION:** I might take that on notice and come back with some specific information. SA Water is happy to meet with the developers and look at the local capacity, and I think I had a meeting with the council maybe two weeks ago about the Yorke Peninsula in general. Of course, regional South Australia—I know from individual members raising it with me—are suffering many of the same infrastructure issues that the northern suburbs did as well.

**Mr ELLIS:** The particular specific one for us is the Metacap subdivision at Port Hughes. I know they have been working with SA Water, and I think they are being quite reasonable. It would be wonderful to meet in the middle somewhere with those developers.

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

**Mr McBRIDE:** I have a question of the minister regarding Budget Paper 3 and talking about regional expenditure. I am just wondering if you could fill me in with any more details around country maintenance projects like, for example, Bordertown, Wellington East and Cape Jaffa, maybe even Kingston. Do you have any sort of knowledge about those upgrades around water for those towns, and perhaps the shortage that is found in some aspects around these towns?

**The Hon. N.D. CHAMPION:** I am obviously aware of the issue in Bordertown, because the honourable member has raised it with me, and it has come up in our discussions about regional housing as well. We will get you the exact scope of works at Bordertown. We are doing some works as part of the program, and we will get you the exact details on notice.

**Mr COWDREY:** I have one further question in regard to the \$1.2 billion outlined in the ministerial direction. Does that spend comply with NWI principles?

**The Hon. N.D. CHAMPION:** The spend relates to those principles, yes, sure, but I might just say something about those principles, because it is worthwhile having a talk about them. I actually think this is important—

**Mr COWDREY:** There is quite a bit that is important to cover in this section. I am aware of them.

**The Hon. N.D. CHAMPION:** Just hear me out. I will make one observation about those principles. If you look at the Henry Tax Review, and I will send you the relevant part, it points out that augmentation charges as designed by the national water principles, and adopted by previous governments in their extreme form, have an effect on housing affordability. It was flagged in the Henry Tax Review, and the figures that have been calculated by SA Water, that if we were to put this entirely on developers on the growth front it would render all of those projects unfeasible in practice, and we would have very little greenfield growth, very little greenfield supply, which would have an effect on housing prices and on infill growth in suburban Adelaide.

**Mr COWDREY:** Again, Budget Paper 3, page 69, capital investment. I want to shift to the CWMS and what looks like a completely outrageous blowout under your government. How much of the \$326 million—this started as a \$90 million election commitment by the Labor Party—still remains outside of the regulatory period? What is the total cost of the project?

**The Hon. N.D. CHAMPION:** One of the problems is that if you say it is going to cost \$90 million and then you alter the scope of works then obviously the figure changes, and it was not this government that changed the scope of works. The \$90 million is not a figure that you should

utilise because, post announcing that figure, you changed the scope of works. I am happy to provide all the detail on notice for you in full colour.

**Mr COWDREY:** Please. In regard to the number of properties that have been transitioned to this point, last year it was 316 of the 4,700 that were to be transferred over. How many have been transferred to this point?

**The Hon. N.D. CHAMPION:** We have done 13,240 metres of sewer main and transferred 624 households that are now connected to the sewer work, with 100 additional connections ready for commissioning.

**Mr COWDREY:** When do you estimate that the full 4,700 will be connected to the mains network?

**The Hon. N.D. CHAMPION:** In order to limit the impact on the suburb and the work, the vast bulk of it will be done this regulatory period and then there will be a small amount of spillover to the next.

**Mr COWDREY:** So how many connections are you estimating to have completed by the end of 2027-28?

**The Hon. N.D. CHAMPION:** I will take it on notice and try to give you the estimated number that we will do in this regulatory period and the estimated number for next.

**Mr COWDREY:** Are you able to provide that year by year?

**The Hon. N.D. CHAMPION:** If we can, we will, but these projects are complex. I am sure members understand that, when you are essentially connecting people up, it is a complex interaction between the system and people's private property. It is inevitable with a project this complex that there are going to be changes from year to year. I would just point out for the committee's information that there is 95 per cent customer satisfaction. It is a popular initiative.

**Mr COWDREY:** I do not doubt it is. At \$80,000 per connection, though, do you think it is delivering value for money for the South Australian water bill payer?

**The Hon. N.D. CHAMPION:** I think I am on day 70 of having this portfolio. These schemes were the ultimate false economy that happens when you get rapid suburban expansion. If there is a lesson from Tea Tree Gully or Cape Jaffa or anywhere else, it is to do the job once and do it properly: get big pipes, put them in the ground and do the backbone infrastructure. Perhaps, when we have less rancour and we can reach a point of bipartisanship about the provision of sewer and water infrastructure, we are better off as a state doing it once and doing it properly and enabling growth fronts and not making short-term decisions that end up being long-term costs.

**Mr COWDREY:** In regard to the median household water use, I just want to confirm that the numbers that were put forward in the last couple of days are correct. The median household water use, I think, was stated as 189 kilolitres, and the median business use was 983 kilolitres. Are you able to confirm that that is accurate?

**The Hon. N.D. CHAMPION:** They are mean averages, not median averages.

**Mr COWDREY:** Are you able to provide the median on notice?

**The Hon. N.D. CHAMPION:** I will go through it. It reminds me of year 9 business maths. That was the last time I heard mean, median and mode.

**The CHAIR:** This will be the last response.

**The Hon. N.D. CHAMPION:** The mean average is 189 kilolitres, \$85 a year, \$21 a quarter, on a property value of \$706,000. The median is 156 kilolitres, \$73 a year, \$18 a quarter, on a \$600,000 property. The mode is 97 kilolitres, \$61 a year, \$15 a quarter, on \$540,000.

**Mr COWDREY:** And business, sorry?

**The Hon. N.D. CHAMPION:** I do not have the business figures.

**Mr COWDREY:** Are you happy to take them on notice?

**The Hon. N.D. CHAMPION:** Sure, why not? One thing: I did say the Hackham code amendment was privately led; it was actually CE led, so I should point that out.

**Mr COWDREY:** That was with Renewal.

**The CHAIR:** Thank you. The time allotted having expired, I declare the examination of the portfolio of SA Water completed. The examination of the proposed payments for Administered Items for the Department of Treasury and Finance is now complete. I lay before the committee a draft report for committee B.

**S.E. ANDREWS:** I move:

That the draft report be the report of the committee.

Motion carried.

**The CHAIR:** Thank you to all of the public servants. Thank you to the opposition and thank you to the members of the government for sitting through this very protracted process. Thank you also to the parliamentary staff, and I never forget the security, sitting up in the corner for hours and hours. Thank you, everybody.

At 17:47 the committee concluded.