

## **HOUSE OF ASSEMBLY**

**Monday, 23 June 2025**

### **ESTIMATES COMMITTEE B**

**Chair:**

Mr E.J. Hughes

**Members:**

Mr D.K.B. Basham

Mr M.E. Brown

Mr A.S. Pederick

Ms J.M. Stinson

Mr S.J. Telfer

Ms E.L. Thompson

*The committee met at 09:00*

*Estimates Vote*

**DEPARTMENT OF PRIMARY INDUSTRIES AND REGIONS, \$173,822,000**

**ADMINISTERED ITEMS FOR THE DEPARTMENT OF PRIMARY INDUSTRIES AND REGIONS,  
\$4,769,000**

**Minister:**

Hon. C.M. Scriven, Minister for Primary Industries and Regional Development, Minister for Forest Industries.

**Departmental Advisers:**

Prof. M. Doroudi, Chief Executive, Department of Primary Industries and Regions.

Mr W. Kent, Chief Financial Officer, Department of Primary Industries and Regions.

Ms A. Barclay, Director, Office of the Chief Executive, Department of Primary Industries and Regions.

Ms M. Spencer, Chief of Staff, Department of Primary Industries and Regions.

Mr B. Bartel, Director, Emergency Management, Drought and Resilience, Department of Primary Industries and Regions.

Mr N. Secomb, Director, Plants and Invasive Species, Department of Primary Industries and Regions.

**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. C.M. SCRIVEN:** Yes.

**Mr BASHAM:** Yes.

**The CHAIR:** Changes to committee membership will be notified as they occur. Members should ensure the Chair is provided with a completed request to be discharged form. If the minister undertakes to supply information at a later date, it must be submitted to the Clerk Assistant via the Answer to Questions mailbox no later than Friday 5 September 2025.

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

All questions are to be directed to the minister, not the minister's advisers. The minister may refer questions to advisers for a response. Questions must be based on lines of expenditure in the budget papers and must be identifiable or referenced. Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion in the assembly *Notice Paper*.

I remind members that the rules of debate in the house apply in the committee. Consistent with the rules of the house, photography by members from the chamber floor is not permitted while the committee is sitting. Ministers and members may not table documents before the committee; however, documents can be supplied to the Chair for distribution.

The incorporation of material in *Hansard* is permitted on the same basis as applies in the house; that is, that it is purely statistical and limited to one page in length. The committee's examinations will be broadcast in the same manner as sittings of the house, through the IPTV system within Parliament House and online via the parliament's website.

I now proceed to open the following lines for examination: the portfolio of the Department of Primary Industries and Regions. I declare the proposed payments open for examination. I call on the minister to make a statement, if she so wishes, and to introduce her advisers.

**The Hon. C.M. SCRIVEN:** I would like to introduce members of the department who are with me today. On my left is Professor Mehdi Doroudi, PSM, and on my right is Will Kent, Chief Financial Officer. Behind me is Ann Barclay, Director of the Office of the Chief Executive, and Meagan Spencer, my Chief of Staff. Also here today is Mr Nick Secomb, Director, Plant and Invasive Species, and Mr Brett Bartel, Director, Emergency Management, Drought and Resilience. I will provide a short opening statement before welcoming any questions.

South Australia's primary industries and regions are the heart of our economy, our communities and our way of life. From our world-class food and wine producers to our innovative agribusinesses, we continue to witness resilience and leadership, even in the most challenging of times. The past year, I think it is fair to say, has been especially tough. Drought conditions have taken a heavy toll across much of our state, with some regions recording their lowest rainfall on record. In direct response, our government committed over \$73 million in comprehensive drought support.

This drought package was shaped by what we heard directly from farmers and from industry during drought round tables and ongoing consultations. It is truly a whole-of-government effort to support our impacted farmers and the small businesses and communities who are also affected, with a number of agencies leading the delivery of support measures.

PIRSA is delivering \$18 million for on-farm drought infrastructure grants, \$6 million to assist charities with freight costs for delivering donated fodder for livestock, \$3.1 million for pest management to ease populations of rabbit, deer and kangaroos, and a further \$4½ million to support producers implementing eID. Supporting the health of individuals and the social fabric of our regional communities has also been a key priority, with PIRSA also delivering programs to support mental health and wellbeing, including counselling and regional community events that bring people together.

Significant work has been undertaken by PIRSA and other government agencies involved in the initiatives to roll these out, while also ensuring that the funding reaches those most in need. We are continuing to very actively monitor the conditions and engage with industry, stakeholders and communities to identify emerging impacts and issues. The past year has seen an extreme range of conditions as, in the midst of delivering a large-scale response to drought, PIRSA has also been assisting the SES with response to the floodwaters in the Far North-East of our state near Innamincka.

Another significant challenge this year has been the detection of tomato brown rugose fruit virus, or the tomato virus as it sometimes referred to, in the Northern Adelaide Plains—the first time this exotic disease has ever been confirmed in Australia. As part of the response, SARDI mobilised to deliver a significant achievement in the opening of South Australia's first tomato virus testing laboratory based at SARDI's Molecular Diagnostic Centre at the Waite Campus. The facility began testing in November 2024 and is a significant initiative, given it boosts national testing capability alongside labs that exist in Victoria and NSW. It provides vital certification for our tomato, capsicum and chilli growers to access interstate markets, and a market access dashboard keeps industry informed on testing times.

Abalone viral ganglioneuritis, also known as AVG, also continues to cause concern in South-East waters. PIRSA has closed the take of all abalone from the Murray Mouth to the Victorian border, which has been a necessary step to ensure the stocks can recover for future generations to enjoy.

A major biosecurity milestone in the past year has been reached in the \$27.4 million project to rebuild 1,600 kilometres of the South Australian dog fence, which protects South Australia's livestock industry from wild dog attacks. I am pleased to advise that 1,000 kilometres of the fence have so far been rebuilt.

Our new Biosecurity Act 2024, delivered in February this year as a key election commitment of this government, stands as a testament to our commitment to protecting our primary industries environment and communities. This future-ready act will ensure South Australia's biosecurity system remains effective, contemporary and adaptable. PIRSA has started development of the regulations for the act, and we look forward to engaging with interested stakeholders in the months to come to get these details right.

Despite the challenges faced in the past year, the professionalism and innovation of our primary industries has again shone through. The 2023-24 Primary Industries Scorecard revealed that while overall sector revenue fell by 8 per cent, the economic contribution of primary production to the state's GSP actually grew by 6 per cent to \$7.89 billion. Growth was recorded across several sectors. Horticulture rose by 15 per cent, seafood by 4 per cent, forestry by 7 per cent and dairy by 1 per cent.

Our food and wine industries also saw a slight overall increase, and restored access to the Chinese market was a highlight, with exports to China soaring by 174 per cent. At the same time, our producers continue to embrace innovation and adapt to changing consumer expectations. SARDI continues to be a highly valued strategic partner for industry and research institutes, delivering research programs that directly support the productivity and sustainability of our primary industries.

Of course, global pressures remain, from market volatility to the broader impacts of climate change and many more. That is why our government continues to stand with our regions, advocating strongly for our industries, supporting innovation and providing the assistance needed to build resilience for the future. Together, through partnership, persistence and innovation, we will continue to seek to turn challenges into opportunities and ensure that South Australia's primary industries and regions not only recover but thrive.

**Mr TELFER:** Nothing else for me to say after that one. I might have to quickly get on to questions.

**The CHAIR:** Not a problem. Go for it.

**Mr TELFER:** Thank you, minister and staff. I will start on Budget Paper 3, page 23, looking at overall financials and trying to unpack a little bit about some of the detail. There is a line there for

PIRSA in the operating expenses. The 2024-25 budget was \$258 million and the estimated result from 2024-25 was \$338 million, an increase of \$80 million. Can you give me an explanation as to why?

**The Hon. C.M. SCRIVEN:** My advice is that the annual investing program 2024-25 estimated result of \$10.66 million is \$1.873 million lower than the original budget of \$12.533 million, largely due to delays in the commonwealth-funded Building Resilience to Manage Fruit Fly package, with \$4.438 million related to the Medfly SIT facility now expected in 2025-26 and 2026-27. This is offset in part by commonwealth funding in 2025-26 for HPAI (bird flu) preparedness and response purchases, including specialist equipment to boost our HPAI surveillance, detection, diagnosis and response capabilities.

There is funding of \$0.472 million to enhance the state's capability and capacity to address the increased risk of emergency animal diseases, including purchasing scientific equipment, a mobile lab and trailers, and additional externally funded and asset sale reinvestment capital purchase purchases of \$1.1 million.

**Mr TELFER:** I appreciate that answer. That was not the question I was asking. I will draw your attention to Budget Paper 3, page 23. That was the reference. It was the operating expenses for the 2024-25 budget of \$258 million; the 2024-25 estimated was \$338 million.

**The Hon. C.M. SCRIVEN:** I am advised the difference is predominantly in relation to initiatives that have been announced and increased—for example, fruit fly—and then the announcements around drought and floods.

**Mr TELFER:** On that \$80 million extra, can you give me a breakdown of those three amounts, the additional?

**The Hon. C.M. SCRIVEN:** My advice is: continuation of fruit fly response activities following further outbreaks across the Riverland with \$45 million in 2025-26; the expansion of the drought support package, and we have information about the aspects of the drought support package; national eradication commitments of \$8.8 million in 2025-26, including \$5.4 million for red imported fire ants; and \$1.6 million for tomato brown rugose fruit virus response.

**Mr TELFER:** Those are the 2025-26 figures. This is the 2024-25 budget difference—the \$80 million. Can you just give me a breakdown of that additional \$80 million for 2024-25?

**The Hon. C.M. SCRIVEN:** I thank the honourable member for his clarification. My advice is that the major variances between 2024-25 estimated result and 2024-25 result, which I think was what the member was asking about, are primarily due to additional income in 2024-25 estimated result for commonwealth government funding, including the future drought program 2022-25, \$7.5 million; the Murray-Darling Basin Sustainable Communities, \$7 million; the national water grid programs, \$5.6 million; the South Australian River Murray Irrigation Infrastructure Program business case, \$3 million; implementation of sheep and goat eID, \$1.4 million; and HPAI preparedness and response capability, \$1 million.

There is a gross up in income and corresponding expenditure to reflect business activity in 2024-25, which was \$8.8 million. Contributions from other government jurisdictions and industry towards the tomato brown rugose fruit virus response in South Australia was \$3.1 million and then the dog fence upgrade, with reimbursement delayed from 2023-24 to 2024-25, was \$2.8 million. This has been partially offset by the item I mentioned earlier in regard to building resilience to managing fruit fly.

**Mr TELFER:** Just for further clarification on the budget overspend on the operating expenses, those items you listed off, as I was scribbling down the amounts, were around about \$25 million. What is the additional \$55 million of operating expenses over and above what the budgeted amount was for the 2024-25 financial year?

**The Hon. C.M. SCRIVEN:** My advice is that that would be particularly around drought and flooding.

**Mr TELFER:** Can you please give me a breakdown of the additional amounts allocated for the drought and flooding expended from PIRSA to account for that overrun between the budget and the estimated?

**The Hon. C.M. SCRIVEN:** As you would be aware, there is a government-funded package for the drought response of over \$73 million. My advisers are unable to find where the honourable member is referring to \$80 million.

**Mr TELFER:** I am referring to Budget Paper 3, page 23. There is a table with the operating expenses of all the selected agencies. On page 23, there is a difference of \$80 million.

**The Hon. C.M. SCRIVEN:** I can confirm they are the offsets I referred to from the commonwealth that I have already outlined.

**Mr TELFER:** The expenses' offsets? You spoke about the amount of commonwealth grant funding coming in.

**The Hon. C.M. SCRIVEN:** And some of the offsets as well. I believe I outlined those.

**Mr TELFER:** Yes, indeed, you outlined \$25 million worth of additional costs. I am just wondering about that difference between the amounts you outlined and the \$80 million, around about \$55 million, and whether it is drought expenditure and flood expenditure as you said. I am just looking for a breakdown of how much of each of those two projects, for instance?

**The Hon. C.M. SCRIVEN:** I am happy to come back during the session with some additional information in terms of what has already been outlined and the member's calculations.

**Mr TELFER:** My calculations? Yes, sure. I think we need to make sure we come back to this.

**The Hon. C.M. SCRIVEN:** Regarding additional expenditure in the 2024-25 estimated result for drought, bushfire and adverse events recovery programs: for the drought support package, funding was provided in 2024-25 for various programs, including the On-Farm Drought Infrastructure grants, the future drought preparedness and resilience programs and the Donated Fodder Transport Drought Assistance Scheme—\$8 million.

**Mr TELFER:** Sorry, how much?

**The Hon. C.M. SCRIVEN:** It is \$8 million for those. There was River Murray flood recovery expenditure for primary producer grants, irrigator support, blackwater and farm and business support of \$6.5 million, and the incremental increase at that time in drought support measures was \$5.1 million. The commonwealth government funding I think I have outlined already, but I will just go through it again: the Future Drought Fund in 2022-25 is \$7.5 million, the Murray-Darling Basin Sustainable Communities Program is \$7 million—

*Mr Telfer interjecting:*

**The Hon. C.M. SCRIVEN:** Correct; this is the government funding income. The National Water Grid programs are \$6.1 million, the South Australian River Murray Irrigation Infrastructure Program business case is \$3 million, eID is \$3.6 million, additional expenditure during 2024-25 for fruit fly eradication response is \$15 million, the national eradication commitments for high pathogenicity avian influenza and electric ant eradication are \$3½ million—

**Mr TELFER:** Are these all incomes?

**The Hon. C.M. SCRIVEN:** This is expenditure.

**Mr TELFER:** Sorry, can you—it is getting a bit conflated. Can you give me just the expenses that make up—you have given me the drought and the flood: the \$8 million, the \$6½ million and the \$5.1 million.

**The Hon. C.M. SCRIVEN:** Sorry, which amounts have you just referred to?

**Mr TELFER:** The amounts that you just gave me: for the drought expenses, \$8 million; the flood, \$6.5 million; and the additional drought, \$5.1 million.

**The Hon. C.M. SCRIVEN:** Yes.

**Mr TELFER:** Can you just give me the other expenses, not the income?

**The Hon. C.M. SCRIVEN:** Yes. I was in the expenditure. The implementation of eID is \$3.6 million; fruit fly is an additional \$15 million, as I just outlined; avian flu and electric ant eradication is \$3.5 million; and tomato brown rugose virus is \$5.4 million. There is a gross up in income and corresponding expenditure; I think have already outlined that. Then there is the Forestry Centre of Excellence at \$1.3 million and a payment, which came in 2024-25, to the Bundaleer Forest Reserve of \$0.9 million, and additional funding for the upgrade of South Australia's dog fence at \$1.4 million.

**Mr TELFER:** I thought a number of those initiatives were actually within the budget last year. You are giving expenses as a total.

**The Hon. C.M. SCRIVEN:** My advice is that that is increases since the amounts in the previous budget.

**Mr TELFER:** So increases on the budget—over and above.

**The Hon. C.M. SCRIVEN:** Correct.

**Mr TELFER:** Thank you; I appreciate that. Of the \$8 million drought money you spoke about, I think you said \$5.1 million. Are there two different amounts for drought response?

**The Hon. C.M. SCRIVEN:** I am advised that this is a combination of both what was announced back in November and a proportion of what was since announced. Obviously, a number of the drought support measures go over a number of years. Also, a large number have had significant expenditure now but the appearance in the budget papers is under these particular separate aspects.

**Mr TELFER:** For clarification, how much has been spent so far on drought response, either the first or second allocation? How much has been estimated to be expended in this current financial year?

**The Hon. C.M. SCRIVEN:** My understanding is that there is, as we know, a total of \$73 million budgeted. The expenditure includes approximately 20 different streams of funding, including things such as the On-Farm Drought Infrastructure scheme. This is an approximate amount because obviously we get updates every so often, and that is currently, according to my advice, at around \$16 million. There are currently large numbers of applications still being received for that. There is expenditure which has occurred on the community events, and more of those are planned, so those funds have been committed but have not necessarily been invoiced and out the door as yet.

**Mr TELFER:** How much has been spent on community events?

**The Hon. C.M. SCRIVEN:** I do not know if we have an up-to-date figure as yet because obviously there has been—I think there have been 68 community events funded so far, as in have already been held, but there are still many more being scheduled, so that will show up once they have had those events and provided the invoices. So far, 1,200 farmers have received donated fodder through the Fodder Transport Drought Assistance Scheme, most recently with a run over the June long weekend. They will put in their invoices, particularly those very recent ones. We are still waiting for those invoices to come in and be processed. Obviously, that is already committed and there are still opportunities for further runs and they are being arranged, as I understand it.

Just back on the Connecting Communities Events, I am advised that more than \$313,000 has been approved. More has been requested but, as I mentioned, they are being rolled out, they are not all happening before the end of the financial year. There has been a significant jump in the demands on the Family and Business Support program, and so that additional support that was announced in the drought package is for those FaB mentors. Rural Financial Counselling, similarly, and then there are additional measures in terms of mental health, the rural support relief fund grants and so on.

**Mr TELFER:** For clarification, please, can you give me an amount that is estimated to have been expended or expended within the 2024-25 budget? The only number you gave me was the

\$16 million of the infrastructure grants. What other moneys from the drought package have been expended in the 2024-25 budget?

**The Hon. C.M. SCRIVEN:** As I just outlined, there are a number of programs which have had expenditure from them. We will have a full update at the end of the financial year.

**Mr TELFER:** Is there an estimated amount that you are working on currently within the current 2024-25 budget to have been expended or expected to be expended by the end of the financial year, in one week's time?

**The Hon. C.M. SCRIVEN:** The advice I have received is that the total package expenditure committed—remembering that we know exactly where it is going, we are not just waiting for applications to come in, for example—is \$47 million. In terms of the actual amount that will be out the door, that will vary because of the reasons that I have outlined. For example, amounts committed for hay runs, where those hay run invoices have not yet come in, obviously would not necessarily be paid before the end of the financial year if we do not receive those invoices before the end of the financial year.

**Mr TELFER:** Of the estimated \$47 million that you speak about, how much is allocated within that number for expenditure for each of the different items that you have spoken about? You have spoken about the \$16 million of the infrastructure grant, for the remaining \$31 million can you give me a breakdown of what is expected within this current financial year?

**The Hon. C.M. SCRIVEN:** I do not think we have those exact details. I would refer the member to the announcement which goes through the 20 different—

**Mr TELFER:** You have an amount of \$47 million—

**The Hon. C.M. SCRIVEN:** Let me finish answering.

**Mr TELFER:** You have an amount of \$47 million.

**The Hon. C.M. SCRIVEN:** You can go through the 20 different streams of assistance that are in the drought package and, as I mentioned, some of those are allocated but it will depend on when the invoices come in as to whether they are actually paid out before 30 June. For example, with the On-Farm Drought Infrastructure grants, they are now being processed and paid within 30 days, but if applications are coming in this week obviously that will not necessarily be paid out before 30 June.

**Mr TELFER:** Of the amount that you have said has been allocated, the \$47 million, how much of each of these programs have been broken down for each of the programs out of that \$47 million? That is all I am looking for, the breakdown of the allocations from what is estimated—you have given me an estimated amount of \$47 million.

**The Hon. C.M. SCRIVEN:** The estimates, according to my advice—these are probably a week or two old, so they can obviously increase by 30 June. I have already referred to the On-Farm Drought Infrastructure rebates, and the others are:

- the PIRSA wellbeing package, which is a family and business support program, looking at \$815,000;
- the existing FaB program of \$830,000;
- the existing program of the Future Drought Fund will be around about \$5½ million—and I am just doing rough rounding figures, obviously;
- the Connecting Communities Events Grant is around about \$240,000;
- committed so far from the Donated Fodder Transport Assistance Scheme is roughly \$3.4 million;
- Rural Business Support relief grants, \$2 million;
- expenditure so far on the total grazing pressure management, support for pest management, \$330,000;

- rural financial counselling support—and remembering I think some of these are the additional figures rather than what was previously in the budget for this service—around about \$875,000;
- the future drought preparedness and resilience program, \$17.4 million;
- the standpipes in the Adelaide Hills and Fleurieu, \$388,000;
- the Active Club Program, the Drought Relief Round, \$357,000;
- \$680,000 for small business support; and
- roughly \$846,000 for the financial support for country students affected by drought to attend camps and excursions.

**Mr TELFER:** Has that large amount in the explanation of \$17.4 million for future drought all been expended in 2024-25?

**The Hon. C.M. SCRIVEN:** It is committed or distributed in—

**Mr TELFER:** Within this current budget period?

**The Hon. C.M. SCRIVEN:** This is committed, but it is obviously for the future drought program, which, the member would be aware, is over four years.

**Mr TELFER:** How much of the \$17.4 million is in the current financial year?

**The Hon. C.M. SCRIVEN:** My understanding is it does not quite work like that. It is this amount that has to be committed and that has occurred for the four years.

**Mr TELFER:** I am just wondering how much of it has been expended in the current 2024-25 financial year.

**The Hon. C.M. SCRIVEN:** I am advised that in order to have a commitment from the commonwealth government for the next four years of the Future Drought Fund, we needed to make this commitment for the four years, and as soon as that commitment was made then the funding agreements were able to be progressed.

**Mr TELFER:** How much of that \$17.4 million has been expended or is expected to be expended in the 2024-25 financial year?

**The Hon. C.M. SCRIVEN:** What I am referring to is that this is for the next four years. We need to, however, give the commitment in this financial year, otherwise the program would have ended on 30 June this year.

**Mr TELFER:** How much has actually been spent of it?

**The Hon. C.M. SCRIVEN:** I have just answered that question.

**Mr TELFER:** None?

**The Hon. C.M. SCRIVEN:** I have just answered the question.

**Mr TELFER:** There has been none of the \$17.4 million that has been expended in this financial year?

**The Hon. C.M. SCRIVEN:** The \$17.4 million has to be committed to enable us to get the matching funding from the commonwealth government.

**Mr TELFER:** Yes, that is a budget allocation—I get that. I am trying to just work out how much of the money for drought support has—

**The Hon. C.M. SCRIVEN:** It starts from 1 July this year, which is what I just said.

**Mr TELFER:** I am just trying to work out how much of the moneys from the drought support have actually been expended in this current financial year. You have given me an amount of \$47 million that has been expended for this financial year, but obviously a significant swathe of it is not expended in this financial year. How much is going to actually be expended in this financial year?



**The Hon. C.M. SCRIVEN:** As I have said, the amount that has to be committed has to be committed prior to the ending of the program on 30 June. That has been committed, and I think I have answered the other question according to the advice I have received.

**Mr TELFER:** I am just curious that, as Minister for Primary Industries in one of the most challenging drought conditions that our state has faced, certainly in recent memory if not in living memory of many farmers, there is no clarity about how much money is actually spent during the drought for farmers having to deal with those situations. All I am trying to find out is how much has actually hit the ground to support those farmers who are doing it tough at the moment, rather than how much you need to make sure you allocate for the next four years. Is that a hard number to be able to give me?

**The Hon. C.M. SCRIVEN:** I think I have already provided that information.

**Mr TELFER:** But you have not, minister. You really have not.

**The Hon. C.M. SCRIVEN:** I have answered the question several times now.

*Mr Brown interjecting:*

**Mr TELFER:** Be quiet, you. Budget Paper 5, page 60—

**Mr BROWN:** Having a bad day mate?

**Mr TELFER:** Budget Paper 5, minister.

*Mr Brown interjecting:*

**Mr TELFER:** You know me—yeah, yeah.

**The CHAIR:** If everyone can stop interrupting, please—just get on with your question.

**Mr TELFER:** I am trying to, sir. I am getting interrupted. In Budget Paper 5, page 60, minister, there is a reference to the replacement coastal research vessel, the \$44.4 million over four years for the purchase of a replacement coastal research vessel. I note that the initiative is delivered in partnership with the commonwealth government. Can you indicate or confirm whether the state government's contribution to the research vessel is being funded in whole or in part through commercial fishing licence fees or levies paid by industry?

**The Hon. C.M. SCRIVEN:** None of that is being funded through levies or commercial fishing licence fees.

**Mr TELFER:** What is the amount allocated from the state government portion of the funding?

**The Hon. C.M. SCRIVEN:** The South Australian and commonwealth governments are jointly investing \$44.4 million over the next four years to replace the SARDI 40-year old research vessel, the MRV *Ngerin*. The replacement coastal research vessel is a strategic long-term investment that is critical to the future of marine science in South Australia, and it will enhance sustainable fisheries and aquaculture management, support offshore renewable energy, lead coastal research in South Australia, mitigate biosecurity and climate threats, and attract marine initiatives and business to South Australia. Funding for the replacement vessel includes \$25.4 million from the South Australian government, and the additional \$19 million is provided by the commonwealth government through the National Collaborative Research Infrastructure Strategy.

**Mr TELFER:** Of that \$25.4 million, none is going to be funded through any of the allocation from commercial fishing licence fees or levies paid by industry?

**The Hon. C.M. SCRIVEN:** That is true.

**The CHAIR:** The member for Florey—always keen to make a contribution.

**Mr TELFER:** I am sure he knows well about primary industries, Chair.

**Mr BROWN:** I am not allowed to be interested in primary industries?

**Mr TELFER:** I love it.

**Mr BROWN:** I refer the committee to Budget Paper 4, Volume 4, page 55, Sub-program 1.1: Agricultural Services. My question to the minister is: how is the state government supporting drought-affected farmers in South Australia?

**The Hon. C.M. SCRIVEN:** I am delighted to provide additional information in regard to this drought support package. It is certainly the case that South Australia is facing one of the worst droughts in memory, and many of the farms and farming areas across the state have some of the lowest rainfalls on record. Obviously, we are pleased to see some recent rain, but it has not been in sufficient quantities in most areas and certainly has not been across enough areas to have the sort of positive impact that we would want.

It is also really important to acknowledge that, even if the rains come—and if they come to the extent they can at the right times from here on in—the impacts of the drought will still be felt significantly, not just this year but for the next two years and possibly even more, depending on the area. The state government committed \$18 million back in November 2024 and developed a package that was based on the feedback we had from farmers, from peak bodies and from regional communities. We have since increased that to a total of \$73 million, and the new support schemes are across a number of different areas. They include direct financial relief, support for regional communities, programs to fund pest animal management, and funding for drought preparedness and resilience programs.

It is also important to note that the package has been designed to complement what is already available from a federal level. There are concessional loans and some income and financial support through the Farm Household Allowance, the Farm Management Deposit Scheme and ATO measures, such as payment plans, tax deductions and small business tax concessions.

The Premier and I have been advocating to the commonwealth in terms of changes that we think would be appropriate for some of the federal programs, but in terms of the South Australian government's drought support package, the \$73 million in total includes \$18 million for on-farm drought infrastructure grants for rebates that assist with projects to manage drought conditions and strengthen drought preparedness.

That is important because it addresses both current needs—for example, containment fencing was one area that was raised with me as something that some of those areas that are not used to drought had not necessarily needed to invest in previously—and also water infrastructure or fodder storage. There has been a very, very high uptake of those grants. We have hit, I think, more than 2,500 applications for those grants, which shows that they are appreciated and useful.

The first tranche was small grants of up to \$5,000, and only 25 per cent co-contribution from primary producers was required. The revised package, based on feedback from industry, was of grants of up to \$20,000 with a 50 per cent co-contribution. Both of those streams continue to be available. There is \$6 million to assist charities with freight costs to transport donated fodder to assist farmers with feeding livestock. I would certainly like to take the opportunity to again put on the record the government's appreciation to the five charities that are currently involved in making those deliveries.

There is immediate financial relief by providing rebates for the emergency services levy and commercial vehicle registration fees for primary producers receiving the commonwealth's Farm Household Allowance. There is \$3.5 million for a strategy to boost mental health and resilience in drought-affected areas, and an additional \$1 million for rural financial counselling support. There is \$3.5 million in additional supports for rural small businesses, \$3.1 million to assist with pest management, and \$4.5 million to support producers with the implementation of eID.

There is \$1.4 million to co-invest with councils in the upgrade of regional standpipes, \$1.1 million to support the provision of standpipes for critical water needs in the Adelaide Hills and Fleurieu, \$0.5 million to make water available from Bundaleer and/or Beetaloo reservoirs, and \$2 million to assist sports and recreation clubs in drought-affected areas through the Active Club Program.

There is a Regional Event Fund, and a drought-specific round has been put forward for that—\$400,000 to develop and encourage new regional events. That is particularly relevant for the

non-farming businesses in our regional areas, because, as we know, when farmers are doing it tough it affects their local regional economies. Things like the Regional Event Fund are designed to bring more people to our regional areas to support local businesses in those regional drought-affected areas and to give support to suppliers in those areas.

There is also financial support for country students affected by drought to attend camps and excursions, and grants of up to \$5,000 for the Connecting Communities Events programs, which I think I have mentioned earlier in this estimates committee. We have also introduced a fee waiver for biosecurity inspections for hay that is coming from interstate. I mentioned earlier the budget commitment over four years for the continuation of the Family and Business Support Mentors and the Rural Financial Counselling Service and the funding provided to the state and federal Future Drought Fund. It is probably important to mention some of the things within that. It comprises the Farm Business Resilience Program and the regional drought resilience plans and the drought hubs.

I was fortunate on Friday to attend a Livestock SA event, the AgRi-Silience event, which was talking about some of the programs that are run through that I have just mentioned. One particular comment stood out to me with people I was talking to there. There were a couple of established farmers, not new farmers, who had done one of the earlier AgRi-Silience courses, they thought, three years ago. They said what they learned from that, despite being established farmers, had actually got them through the last two years of drought, so that was very encouraging about how these programs are assisting.

There has been a strong uptake of many of the support measures, indicating that the assistance is relevant and valued, which makes sense given that we actually developed these packages closely in tandem with primary producers as well as their industry bodies.

**Mr TELFER:** I am still getting used to this red place, where people just talk for as long as they like. I have a couple of follow-ups.

**The Hon. C.M. SCRIVEN:** You do not think drought is an important enough issue to be discussing at length?

**The CHAIR:** Member for Flinders, just get on with your question.

**Mr TELFER:** I have a couple of follow-ups from that Dixer answer. Minister, you spoke about changes that you and the Premier are actively advocating for to the federal government. What are those changes that you are proactively advocating for?

**The Hon. C.M. SCRIVEN:** I am glad the honourable member does think that drought should have some extensive answers—

**Mr TELFER:** Immediate too.

**The Hon. C.M. SCRIVEN:** —given how much of the state is in drought. There are a number of aspects we have been advocating to the commonwealth on. I will not necessarily go into details of all of them, but several that I have referred to publicly already include the assets test. There is currently a \$5½ million dollar assets test, according to my advice, for farmers to be eligible for the Farm Household Allowance.

There is a strong case to be made, in my view, that given the changes to valuations of land across the nation, not just here in South Australia, that figure should be higher. If it were, it would include more people. Currently, according to the figures I have received, roughly 10 per cent of primary producers in South Australia are in receipt of the Farm Household Allowance, which makes sense. Obviously, that sort of assistance is designed to assist those who are in greatest need.

Some of the state government programs are linked to receipt of the Farm Household Allowance—for example, the emergency services levy rebate and also the 100 rebate for commercial vehicle registration. That is available for farmers who are in receipt of the Farm Household Allowance. Obviously, if the assets test was increased and more people became eligible, then more people would also become eligible for the state assistance under that part of the program.

The interest rate for concessional loans, the RIC loans, is also an aspect that I have had discussions with the commonwealth about. My advice is it is currently around 5.2 per cent. Whilst

that is certainly preferable to some commercial rates—one farmer I was speaking to said that his commercial rates were around 12 per cent—then that is clearly a significantly lower level in terms of a concessional loan, but there is also a case to be made, given that there has been a reduction in interest rates more broadly, that that 5.2 per cent should be a lower rate.

**Mr TELFER:** The amount that you quoted, you said around 10 per cent—I believe it is less than 10 per cent—of farmers actually qualify for the Farm Household Allowance, yet you have still used this as the basis for your additional funding for drought. Why use that measure when you know already, as you stated in your explanation, that it is not really a good measure of farmers who are experiencing drought conditions at the moment?

**The Hon. C.M. SCRIVEN:** That is the requirement for the direct ESL rebate and the 100 per cent concession on commercial vehicle registration. The honourable member would be aware that primary producers already receive a 50 per cent reduction on their commercial vehicle registration. First of all, to address why we would use that, there are probably two reasons. The first is it is already established and therefore it is easy to access. If someone is able to show they are on the Farm Household Allowance, that is a relatively simple process, so there is less administration involved, which makes it quicker for farmers to access. The second is, clearly, any support is aimed at those most in need, and therefore that is an appropriate measure.

It is worth mentioning also, though, that those who may not qualify for that can apply for the \$1,500 grants which are being administered through Rural Business Support. They do not require receipt of Farm Household Allowance. That can be used for paying ESL, it can be used for paying a utility bill, it can be used for paying for new school uniforms—whatever might be appropriate for an individual circumstance.

**Mr TELFER:** Just on that, how many of the ESL and registration paybacks have been accessed by that 10 per cent of farmers in South Australia who actually qualify for the Farm Household Allowance?

**The Hon. C.M. SCRIVEN:** My advice is that the commercial vehicle registration relief information would need to be accessed through the Department for Infrastructure and Transport and the emergency services levy, of course, is through RevenueSA.

**Mr TELFER:** This is within the budget of PIRSA. It is an allocation within the budget of PIRSA.

**The Hon. C.M. SCRIVEN:** No, it is not within the PIRSA budget. It is within the budgets of the Department for Infrastructure and Transport and RevenueSA.

**Mr TELFER:** So you do not have that number? It is strange that as primary industries minister one of the things you are really leaning into is one of your drought supports and you do not have that information at hand as the minister.

**The Hon. C.M. SCRIVEN:** I think if something is in the budget of the Department for Infrastructure and Transport it makes sense to ask the Minister for Infrastructure and Transport?

**Mr TELFER:** How many of the \$1,500 grants have been taken up so far?

**The Hon. C.M. SCRIVEN:** My advice is that, as at just after the middle of June, there had been 248 processed and approved.

**Mr TELFER:** Minister, I will move on from this aspect and refer to Budget Paper 5, page 59. There is an operating initiative around fruit fly eradication providing \$45 million in 2025-26 to continue emergency fruit fly response activities following further outbreaks. Can the minister break down specifically what activities are to be continued and expanded?

**The Hon. C.M. SCRIVEN:** As the member may be aware, there are outbreaks not just in the Riverland but also in the metropolitan area and also a small outbreak in Ceduna. There is information available on each of those. In terms of the outbreaks in the Riverland, there are still a number of outbreaks. So although the current amount is considered to be 56, it does not mean that those outbreaks are active, in the sense that there needs to be a time lapse for resolution of the

detections until the resolution, because of the international trade protocols. That means they cannot be resolved until 23 December this year.

Significant efforts continue to be applied to eradicate at the multiple outbreaks sites in the Riverland. There are over 220 staff on the frontline of the Riverland response, deploying the most comprehensive suite of controls ever applied, according to my advice, as part of the plan to eradicate fruit fly. That includes applying bait and deploying devices to attract and kill fruit flies, regular checks of fruit for the presence of larvae, further deployment of what are called attract-and-kill devices, and applying a staged aerial release program for sterile fruit flies across outbreak areas in the region.

PIRSA's sterile insect technology (SIT) breeding facility has been expanded and became fully operational in November 2023. An increased capacity enables up to 40 million sterile flies to be released weekly. Three billion sterile flies have been released in the Riverland since its commencement. Industry continues to be consulted and engaged in the process through the Riverland Fruit Fly Committee and through joint funding by industry with PIRSA for a Riverland Fruit Fly Coordinator.

As of 25 May, no flies were detected in 18 of the 56 outbreak areas. In terms of the other outbreak areas, one is in Glynde, but I think I will go to the Salisbury outbreak prior to that. The last detection there occurred on 6 May this year. There is a 12-week program of SIT releases, which began on 29 August 2024 and released over 19 million sterile flies over the Salisbury North outbreak area. There will be a further release, planned for August, in some of the metropolitan areas.

It is important to note that the release of the sterile flies and the timing of that is somewhat weather dependent, so there are variations seasonally and also with the actual weather, according to my advice. This particular response has an added complexity in that the 15-kilometre suspension area that is established around the Salisbury outbreak also transects the Glynde outbreak suspension area.

**Mr TELFER:** How much did the state government contribute to the fumigation facilities at the Pooraka produce market?

**The Hon. C.M. SCRIVEN:** My advice is that over \$4 million has been provided by the state government towards the fumigation facility. I can get the exact figure, but it is more than \$4 million.

**Mr TELFER:** I certainly would appreciate the exact figure because it is obviously a pretty important project. Is there any money in the budget for the development of stage 2, the irradiation facility, at the Pooraka market?

**The Hon. C.M. SCRIVEN:** Not in the current budget. There have been ongoing discussions with the proponents of stage 2 of the Pooraka market and those discussions will continue.

**Mr TELFER:** What was the total project cost for the fumigation facilities at the Pooraka produce market? You say the government put in over \$4 million. What was the total project cost of that in the end?

**The Hon. C.M. SCRIVEN:** That is the total project cost of stage 1? We can get that and I will bring it back to you.

**Mr TELFER:** What are the estimates for the potential of the development of stage 2, the irradiation facility?

**The Hon. C.M. SCRIVEN:** Given that stage 2 is not in the current budget papers, I am not sure what you would be referring to in terms of that question.

**Mr TELFER:** Has there been any work done to establish what a framework might look like for consideration for future budgets?

**The Hon. C.M. SCRIVEN:** As I mentioned, there have been ongoing discussions around this particular project.

**Ms THOMPSON:** What is the government doing to support the wine industry, which is facing extremely challenging conditions?

**The Hon. C.M. SCRIVEN:** I thank the honourable member for her question. As I am sure members would be aware, the South Australian wine industry is facing significant challenges, particularly in red wine oversupply. There is a global oversupply of red wine and significant changes to consumer preferences and consumer demands that has led to significant oversupply domestically as well. In addition to that, there was the significant challenges of the wine tariffs imposed by China, and that has, along with other aspects that are being faced by our grapegrowers and wine producers, caused significant impacts.

The current drought and increased cost of production is also adding to the pressures faced by grapegrowers and I am very pleased that the Malinauskas government continues to respond to these challenges to assist our grape and wine industry. For wine grapegrowers in South Australia's 18 wine regions, the wine surplus plus the underlying excess potential production from existing vineyard plantings has led to falling demand and also pricing for red wine grapes, and that is particularly shiraz and cabernet sauvignon.

This has been felt most acutely in the Riverland wine region, where over 80 per cent of red wine grapes are shiraz and cabernet sauvignon. In 2024, the average purchase value per tonne for red fruit was \$237 per tonne, which was a further 7 per cent decrease in value from the vintage of 2023. The government understands that the oversupply of red wine grapes is an issue that affects all Australian wine regions and, given this, I proposed a national Viticulture and Wine Sector Working Group be established, which was approved by the meeting of agricultural ministers back in 2024.

The working group comprises representatives of commonwealth, state and territory governments, as well as key industry groups, and they were tasked with working together to develop a national approach to address the oversupply of red wine and the acute issues being faced by the sector as well as supporting future balance and profitability returning to the sector. The working group consulted extensively nationwide with impacted wine regions on the challenges being faced by the sector.

The working group also commissioned a report by Emeritus Professor Kym Anderson, Executive Director of the Wine Economics Research Centre, titled 'Australia's Wine Industry Crisis and Ways Forward: An Independent Review'. The working group's final report was delivered in July 2024 and endorsed by the agricultural ministers in October 2024. It made six recommendations across industry, commonwealth government and the state government to take forward.

That included addressing mental health challenges and financial distress, addressing barriers to exit and diversification, providing data and insights for better informed decision-making, examining commercial contract arrangements across the grape and wine sector supply chain, boosting demand for Australian wine at home and overseas, and improving industry leadership and long-term strategic direction supported by investment in research and development.

The commonwealth and state governments and industry groups are continuing to deliver a range of initiatives for the grape and wine industry, partly based on these recommendations. Some examples include a \$3½ million Grape and Wine Sector Long-Term Viability Support Package, which was launched by the commonwealth government in June 2024 to support long-term viability of the industry to respond to the recommendations.

The package is funding a range of activities which aim to build demand and new markets for wine, both domestically and internationally, and also to provide better data for growers to make decisions and to diversify into alternative products and investigate competition and regulatory issues. The Department of Primary Industries and Regions is supporting the Department for Trade and Investment by taking a lead on what is called Pillar 4 technical cooperation.

South Australia and China share a long history of technical, scientific and research exchange in the wine sector, and this is a mutually beneficial collaboration which covers agricultural technology, climate adaptation, no and low-alcohol wine technology and other aspects. Deepening this collaboration will deliver practical benefits in both markets as well as building trust and goodwill.

The Malinauskas government has provided a \$1.85 million wine exporter China re-engagement support program to support the South Australian wine sector to re-engage with China following their government lifting tariffs that were imposed on Australian wine. That lifting occurred

initially in March 2024 and was then followed up with the longer term lifting. South Australian wine exports to mainland China reached \$855 million during the 12 months since tariffs were lifted on 29 March 2024, up from \$4.4 million through the same period in the previous year, making it now the largest importer of South Australian wines by value.

For comparison, the 12-month running total wine exports to mainland China reached \$947 million in October 2020, just before the tariffs, which was the highest on record. However, Chinese wine consumption is much lower than it was before the import tariffs were imposed so it will take more time before it becomes clear what, if you like, the new normal level of exports to mainland China will be. This package will run through to June 2026, and will provide the South Australian wine industry with in-market insights and capability building to continue to re-enter the China market in a risk-controlled manner.

To boost sales in traditional markets like the United States and Europe, and in emerging markets, in the past 12 months the government of South Australia has launched more than 21 export diversification initiatives in the USA, Japan, Mumbai, South Korea, the Netherlands, France, Singapore and Hong Kong.

The South Australian Wine Ambassadors Club is part of the wine export diversification program and will create an international network of advocates who share a passion for South Australian wine. Ambassadors' endorsement will contribute to raising the profile, reputation and awareness of South Australian wine internationally, as well as influencing their communities to drive sales through targeted trade and educational initiatives.

On 1 June this year, the Minister for Trade and Investment announced that South Australian exporters will receive a \$5 million boost in the state budget, as has occurred, as the Malinauskas government increases support for key sectors to help them respond to continuing challenges in the global trading environment. The state budget includes \$2½ million per annum in 2025-26 and 2026-27 dedicated to programs to support industry to diversify and connect with importers in new or growing markets across the world. Capability development programs to be funded under the \$5 million investment include market intelligence, targeted business missions and facilitator of importer visits to South Australia to support exporters to diversify and access new markets.

My department continues to support Project 250 with annual funding of \$250,000 until 2026. This funding is used to provide a broad range of market and industry development initiatives to help drive strong sales growth in the South Australian wine industry.

On 1 November last year I announced a \$2½ million South Australian Wine Recovery Program established by both the Albanese and Malinauskas governments to further support the wine industry to recover and return to productivity and sustainability. The South Australian Wine Recovery Program streams support the recommendations of the national Viticulture and Wine Sector Working Group by focusing on three main streams.

The first is vineyard waste management, and this is certainly something that has been raised with me on multiple occasions by people within the grapegrowing sector. This will address barriers for growers to exit or diversify their crops by supporting waste management of already abandoned or removed vineyards. One of the issues particularly, for example, is around CCA-treated posts which have been used for a very long time, and in terms of being able to change the use of land from grapes into something else, the removal of those posts and having destruction or a way to deal with those posts is a long-term challenge, and that will be part of the work that is being done here.

The second is boosting demand for Australian wine at home, which is really about building local demand for South Australian wine here and elsewhere in Australia, and also improving industry leadership and long-term strategic direction by building regional grape and wine capability.

Coming back to the CCA post or treated timber that I referred to, on 7 March, the federal Minister for Agriculture, Fisheries and Forestry, the Hon. Julie Collins, our South Australian Minister for Climate, Environment and Water, the Hon. Susan Close, and I announced a new project for sustainable waste management of those, which is being funded through the South Australian Wine Recovery Program.

The department has committed \$50,000 for wine industry bodies statewide to hold community events focusing on mental health and wellbeing in their regions. This is for winemakers, grapegrowers and others in industry hard hit by challenging conditions. The Rural Business Support Relief Fund is assisting wine grapegrowers across the state who are experiencing challenges by providing financial support, making grants available to those eligible of up to \$1,500 to accommodate routine costs. Additional funding has also been provided to Rural Business Support to increase rural financial counselling services for the wine and viticulture industry.

**Mr TELFER:** Minister, that is 10 minutes of my life I am not going to get back.

**The Hon. C.M. SCRIVEN:** I am sorry you do not think the wine industry is important.

**Mr TELFER:** Can I point you to Budget Paper 4, Volume 4, page 55.

**The CHAIR:** Has the minister finished?

**The Hon. C.M. SCRIVEN:** I had finished, yes.

**The CHAIR:** Next question.

**Mr TELFER:** Budget Paper 4, Volume 4, page 55, thank you, sir. I just want to unpack a little bit more around some of the drought funding arrangements, minister, and the charity freight rebates in particular. The original allocation was for \$2 million for support in that area; is that right, that was the original announcement?

**The Hon. C.M. SCRIVEN:** That was the announcement back in November 2024, yes.

**Mr TELFER:** And there was an additional \$4 million on top?

**The Hon. C.M. SCRIVEN:** Correct.

**Mr TELFER:** I was trying to write down the numbers when you were going through them before. Are you saying there is \$3.4 million out of that \$6 million that have been expended so far in the 2024-25 financial year, or expected to be?

**The Hon. C.M. SCRIVEN:** I do not have that in front of me, but if that is the figure, I will, on this occasion, take the word of the honourable member, if that is what I said.

**Mr TELFER:** I will wait for clarification.

**The Hon. C.M. SCRIVEN:** My advice is that just over \$3.4 million has been paid from that. As I mentioned, the charities are organising their hay runs. We have already had a large number and we are very, very grateful to the five charities which are involved. They will then put in their invoices and be reimbursed, and there are more hay runs being organised as we speak by those charities.

**Mr TELFER:** Which charitable organisations have received support so far of the \$3.4 million that have been expended?

**The Hon. C.M. SCRIVEN:** The organisations involved so far include Rural Aid, Rapid Relief Team, Farmers Relief Agency, Aussie Hay Runners, Need for Feed and the South Australian Dairyfarmers' Association.

**Mr TELFER:** How much of that \$3.4 million that has been expended so far has been allocated to each?

**The Hon. C.M. SCRIVEN:** It has been different amounts, depending on the charity. The process is that the charities put forward proposals for hay runs and outline where they are going and how many bales or tonnes they expect to be able to provide. Those applications are then assessed and an agreement is put in place after that.

**Mr TELFER:** How much has been allocated out of that \$3.4 million to each of the organisations?

**The Hon. C.M. SCRIVEN:** We do not have that detail; we can take it on notice and bring back a response.



**Mr TELFER:** I certainly would appreciate that. In response to the answer you just gave around the proposals that are put forward, how many tonnes of fodder have been delivered so far using that funding, that \$3.4 million?

**The Hon. C.M. SCRIVEN:** My advice is almost 10,200 tonnes.

**Mr TELFER:** So 10,200 tonnes of fodder. How many primary producers has that serviced?

**The Hon. C.M. SCRIVEN:** My advice is 1,267 as at just after the middle of June.

**Mr TELFER:** Can you provide a regional breakdown of where donated fodder has been delivered under this scheme?

**The Hon. C.M. SCRIVEN:** A regional breakdown? I am fairly sure I could take that on notice and bring back a response on that. One of the changes that we made to this for the second tranche of the drought support program in regard to the donated fodder was that we wanted to ensure as far as possible that there was a good spread across the state. Some of the feedback from the first program was that it might be that one area was getting several runs from different charities and another area not receiving a run.

Whilst we acknowledge the independence of the charities and the fact that they want to retain that independence and autonomy, we did ask for them to provide greater information around where they saw the need, and the department, according to my advice, was then able to provide feedback in terms of those areas that had not received a hay run, with the obvious goal that there will be a better spread, depending of course on need, but that some areas are not missing out.

**Mr TELFER:** Can I seek clarification from you, minister: if a farmer who has had fodder donated to them as part of a charity run, does that mean that they go to the bottom of the list after receiving a donation for future consideration, however much they actually get from the run? Can you clarify that for me?

**The Hon. C.M. SCRIVEN:** I can clarify that as I received a similar question in parliament last week in the upper house, and I think I can provide some additional information based on the advice I received. First of all, farmers contact the charities direct—they do not contact PIRSA. Each of the charities' contact details are available on the PIRSA website. Charities are not told by PIRSA that they must not provide more hay to a farmer who has already received it—that is not part of the role of PIRSA.

However, my advice is that in discussions PIRSA is encouraging those charities to consider those farmers who are in equal need but have not received any hay previously, with the suggestion that it would be appropriate perhaps for those farmers who are in equal need and have not received hay previously to perhaps be recipients of future runs. I think that is probably an approach that most people would consider appropriate.

**Mr TELFER:** How is need measured, as you refer to?

**The Hon. C.M. SCRIVEN:** PIRSA does not measure need. As I mentioned, the primary producers contact the charities, and the charities are able to make their decisions about where they do their hay runs and to whom. Where there is information sought by the charities and discussions with the team in PIRSA, obviously if there is additional information available they would be able to make that available to those charities.

**Mr TELFER:** Just for clarification, in the previous answer you gave you spoke about those with equal need, that if one has received support previously and one has not, then the one that has not would take priority. That was my understanding of your explanation. The question was how is need actually measured?

**The Hon. C.M. SCRIVEN:** I do not think the words that the honourable member has repeated are exactly what I said. I said not that they would take priority, but simply that PIRSA is asking the charities to take into consideration where an individual farmer has received a hay run previously. If there are others who have not, who would, on face value, also appear to be in need, that is something they should take into consideration.

Ultimately, those decisions are for the charities involved; they are organising the runs. I would also like to again put on the record my thanks to them. They not only organise runs but some of them also organise community events as part of those runs. Some of those are funded through the government's community events program and some are self-funded by charities.

**Mr TELFER:** So it is the charities which ascertain and judge the need?

**The Hon. C.M. SCRIVEN:** Essentially it is, but obviously they can avail themselves of information that can be provided by PIRSA.

**Mr TELFER:** Yes, but they make the decision on the need for the allocation?

**The Hon. C.M. SCRIVEN:** They make the decision on where they do their hay runs.

**Mr TELFER:** So PIRSA has no influence or direction on the charities as to where they might direct or even suggest there may be a heightened need for this fodder support in South Australia?

**The Hon. C.M. SCRIVEN:** PIRSA makes suggestions, but the charities, according to my advice, will make the ultimate decision. I will just check that there is no other information that I can provide. I have a little bit of additional advice. The charities will put in a proposal to PIRSA for pre-approval, and PIRSA will look at those proposals to try to ensure there is no duplication. For example, as I mentioned earlier, we do not want three runs going to one town and none going to other areas.

Whilst it would be the case that PIRSA would potentially say, 'No, we won't approve this run because it is going to an area where there is already a run or there's one scheduled the following week, or one went two weeks ago,' regarding the suggestion that PIRSA makes an individual decision around individual farmers and whether they are recipients, I refer to my previous answer which was that that is not the case.

**Mr TELFER:** So PIRSA has no involvement in working out that if a farmer has already received some they will go to the bottom of the line? PIRSA has no involvement in that at all?

**The Hon. C.M. SCRIVEN:** That is correct. PIRSA does not get involved in the distribution on an individual farmer level.

**Mr TELFER:** Is this sort of detail included in any sort of memorandum of understanding between PIRSA and the charity hay runs?

**The Hon. C.M. SCRIVEN:** There are guidelines that are provided, but I think it is also important to note that there is a team within PIRSA that is dealing with drought support and they are having conversations with organisations about how to get the best outcomes. I think everyone would agree that we want to get the best spread of fodder to the areas most in need and to as many farmers as possible who are primary producers as their main role, so that they get the assistance that is available through this transport subsidy. There is an agreement put in place, the proposal is pre-approved, and that results in an agreement which, once the invoices come in, enables those amounts to be paid out for the transport.

**Mr TELFER:** Is there anything within the agreement that speaks about that distribution aspect with farmers that have already received fodder?

**The Hon. C.M. SCRIVEN:** The guidelines, which are on our website, are referenced back in the agreement.

**Mr TELFER:** The guidelines are referenced in the agreement?

**The Hon. C.M. SCRIVEN:** Yes, according to my advice.

**Mr TELFER:** Is the agreement purely that the charities will adhere to the guidelines?

**The Hon. C.M. SCRIVEN:** That would obviously be one aspect. There will be other aspects around behaving properly and that sort of thing but, in terms of the aspect you are asking about, I think that is a fair comment.

**Mr TELFER:** So the guidelines are there, and the guidelines say that if there are two farmers of equal need, they will take into consideration whether one farmer has had a distribution already. That is within the guidelines?

**The Hon. C.M. SCRIVEN:** The guidelines do not go into that level of detail, from my memory. We can try to get them up on the website now, or indeed the honourable member may wish to do so. From my memory, they refer to giving due consideration to matters of need and equity, or words to that effect. We will just get the exact wording for you.

First of all, I will just correct the record. Apparently the guidelines are not on the website because there are only five charities which are involved and they are sent to the charities once they express interest. We are getting sent through the exact guidelines, but I have had clarification that it talks in general sense about having regard to need and equity.

**Mr TELFER:** So the guidelines are not a public document.

**The Hon. C.M. SCRIVEN:** They are not on the website, but I do not think there is any reason they could not be released. I am happy to have them released or provided to the honourable member. We can certainly put that as part of our responses to this.

**Mr TELFER:** Thank you, because what I am hearing, from experiences on the ground with farmers, is that they are certainly being told by the organisations responsible for distribution that this is the case, 'This is the agreement that we've got with the government,' and the advice I am receiving through this committee is different. I am trying to work out where the breakdown of understanding is.

If a charity is saying to an individual farmer that because they have previously received a donation, irrespective of the size, they are at the bottom of the priority list, are you saying that is misguided, based on the guidelines or the MOU that they have with the government?

**The Hon. C.M. SCRIVEN:** What I would suggest, and I do appreciate that we are probably both speculating to a degree, is that a charity will make a decision based on the need as they see it, informed by information that can be provided by PIRSA if required. If a charity knows that they have had a large amount of interest from a region, and they are planning to make another run to that region, it would not be unreasonable that they would want to go to farmers who have not received hay previously rather than those farmers missing out a second time and a farmer who has received assistance potentially getting multiples.

**Mr TELFER:** But you are saying they are not restricted by any part of the agreement with the government?

**The Hon. C.M. SCRIVEN:** In the activity pre-approval, it refers to applicants are to work with PIRSA to design fodder transport activities to ensure fodder reaches farmers in greatest need. Each run must be approved by PIRSA before it commences. There needs to be information provided, taking into account privacy obligations, including the location of delivery, the number of farmers being assisted and the number of livestock, the volume and nature of fodder to be provided including quality verification, and the number of trucks involved in each delivery and the distance travelled.

**Mr TELFER:** Who undertakes the quality verification that you referred to?

**The Hon. C.M. SCRIVEN:** From memory, the charities need to provide a statement of verification, but I will get further clarification on that. I am advised that the charities are asked for evidence of the quality. That could include something like a feed test, or there may be other mechanisms that would be appropriate as well.

**Mr TELFER:** What other measures would be appropriate? For mine, a feed test would be the ultimate. That would be a consistent measure. What other measures to which you are referring might they be able to rely on?

**The Hon. C.M. SCRIVEN:** My advice is that it probably is fair, to use the honourable member's term, that a feed test would be the ultimate, but a detailed description may also be appropriate, particularly if the feed that is coming in is, for example, pellets. Another is vendor declarations that provide information on the quality of fodder. They are the items that can be provided.

**Mr TELFER:** Is a vendor declaration suffice for hay?

**The Hon. C.M. SCRIVEN:** My advice is yes.

**Mr TELFER:** What proportion of the 10,200 tonnes of fodder has had a feed test actually provided and how many have had a vendor declaration?

**The Hon. C.M. SCRIVEN:** We would need to take that on notice and bring back a response.

**Mr TELFER:** I would appreciate that. What I am hearing from people on the ground is there is obviously a pretty varied quality actually being delivered to people. There is a lot of frustration because what has been declared by a vendor at whatever point has not actually been delivered on the ground. I am also curious about what you referred to with the farmer approval process that PIRSA goes through for each farmer before they are ticked off as far as distribution goes. What is the process that PIRSA actually undertakes to approve a farmer?

**The Hon. C.M. SCRIVEN:** There are probably a couple of things to respond to there. First of all, you referred to something like 'farmer approval'. I do not think I used those terms, so perhaps in a moment we can just get clarity around what that question is.

To come back to the fodder quality issue, my advice is that early on, perhaps in the first tranche of assistance for donated fodder, there were issues around quality. Some was very high quality, but of course being donated fodder some was not so high and that was the reason, in the second tranche, the extended package to \$6 million of the transport subsidy, there was the additional focus on quality and that includes, from the items that I have read out in terms of what should be provided, discussions with charities about what farmers need. Obviously, they are very grateful to receive fodder, but it needs to be fodder that can actually meet their needs. My advice is that there has been less negative feedback in the second tranche.

**Mr TELFER:** So there were no structures within the original \$2 million to confirm the quality of the product coming in?

**The Hon. C.M. SCRIVEN:** My advice is that in the first round good quality was encouraged, but we tightened up the requirements in the second round because of the feedback we had received.

**Mr TELFER:** Just going back to the farmer approval process, which I wrote down as the direct words from you that you read off the phone before around the process that PIRSA uses when confirming the proposals put forward by charities and whether they get approval or not from PIRSA, you spoke about a 'farmer approval process'.

**The Hon. C.M. SCRIVEN:** We think that what you are referring to is when I referred to the pre-approval process. It may have been that perhaps I mumbled or you did not hear. We referred to a pre-approval process.

**Mr TELFER:** Yes, that is pre-approval for the charities, but your direct words were 'farmer approval process' as the proposal that is put forward by the charities when ascertaining whether there is funding or not.

**The Hon. C.M. SCRIVEN:** Okay, we will have to agree to disagree and check the *Hansard*, but I think the relevant point is that you obviously have a question around some aspects, so if you can be specific about what your question is, I will do my best to answer it.

**Mr TELFER:** When you said 'farmer approval process', that is the bit that pricked up my ears because you firstly say that PIRSA do not have any process, it is all to do with the charities, but the charities have to come to PIRSA with what they are putting forward as a project that they want to consider to be funded under the fodder—

**The Hon. C.M. SCRIVEN:** They provide that proposal. It does not provide in that information, of course, as far as I am aware, that farmer Jones or farmer Susan will be receiving fodder. It does not go into that detail. I think there must have been a mishearing of whatever the member is referring to.

**Mr TELFER:** I will make sure I check the *Hansard* in the morning tea break and go from there. One other aspect that I was surprised at was the travel cap. Can I receive some clarification as to why there was a travel cap of 1,500 kilometres in the original funding stream? Why was that in

place and what was reasoning behind it because it obviously excluded a significant portion of the state from receiving fodder that was coming from the Eastern States?

**The Hon. C.M. SCRIVEN:** My advice is that there were two aspects of the rationale. The first is that other jurisdictions that had a fodder assistance scheme transport subsidy had a 1500-kilometre limit. The second, though, which I think is more relevant, is that at the time of the first announced tranche of assistance there was still fodder available, for example in Victoria, and it would make sense from cost effectiveness to be accessing fodder as close to South Australia as possible, rather than, for example, Western Australia. However, the feedback received was that indeed, as the honourable member has referred to, there were areas that were missing out because of that, which is why, in the second tranche, that 1,500-kilometre cap has been removed.

**Mr TELFER:** Obviously, in terms of self-interest for my electorate, it meant that there were farmers who were dealing with some of the most challenging drought conditions—even more so than some of their cousins closer to Victoria who were able to tap into that fodder—who were not able to get fodder. I am surprised that you would just copy and paste a 1,500-kilometre distance from the Eastern States, where they obviously do not have to deal with the same level of distance that we have to in South Australia.

**The Hon. C.M. SCRIVEN:** Yes, and I am glad that we have been able to take on board the feedback and respond accordingly. I was pleased to see that last weekend there was a run to Streaky Bay, which is important. I understand that there are potentially more proposals coming in that will assist Eyre Peninsula and the western part of the state.

**Mr TELFER:** That feed certainly did not go 1,500 kilometres. I refer to Budget Paper 4, Volume 4, page 55; I want to ask a few questions around the sheep and goat eID. The government announced \$4.5 million for subsidies on the cost of electronic identification tags for farmed sheep and goats as part of stage 2 of the program. I am curious, minister, about why the tag rebate has reportedly dropped from 95¢ per tag, or 50 per cent, to just 25 per cent from 1 July. What consultation was undertaken with industry before that change was made?

**The Hon. C.M. SCRIVEN:** The tag subsidy was due to finish on 30 June this year. Compared to other states, we have had a more generous subsidy than certainly a number of the other states. The additional amount that was announced for the implementation of sheep and farmed goats eID was considered as part of the drought package, because obviously an additional cost without further tag subsidies would have been an additional impost on farmers who are already going through very difficult times. Of course, eID itself remains an important component of protecting our South Australian producers, because the last thing we want is a traceability difficulty in the event of an outbreak of an exotic animal disease without having better traceability than we have had so far.

I meet very regularly with Livestock SA, with the South Australian Dairyfarmers' Association and indeed with all the other major industry bodies. I had consultation with them, Livestock SA in particular, around the additional support. The feedback was that putting most if not all of that additional support into tag subsidies would be the best way to assist our producers. So, over a 16-month period from 1 January 2024 through to April 2025, 4,269 producers have received a 95¢ discount on the year-of-birth colour eID tags at point of sale. This equates to 3,623 million devices, or a bit more than that, and over \$3.442 million worth of rebates. Prior to that, there were also some rebates when the point of sale was not yet in place. So continuing a tag subsidy is considered an appropriate way to support our primary producers.

It is probably worth remembering, also, that additional parts of the support package that were already in place included essential equipment and infrastructure rebates for saleyards, for processors, for producers, for livestock agents, for agricultural shows and events, and also for schools.

**Mr TELFER:** What was the rationale behind the decision to reduce the tag rebate? Is that something that the industry—

**The Hon. C.M. SCRIVEN:** I do not agree with the characterisation. The decision was to extend the rebate program which was due to finish, in which case there would have been zero rebate from 1 July. Instead, we have provided a further rebate.

**Mr TELFER:** So upon the decision to extend the rebate, and the decision to reduce the rebate, what was the rationale behind that?

**The Hon. C.M. SCRIVEN:** I do not think there was ever an expectation that there would be an ongoing subsidy for evermore for eID tags. The two-year point-of-sale eID tag discount of 47.5¢ is an extension of providing subsidies for this purpose.

**Mr TELFER:** You spoke about how you meet regularly with industry. What was their ask in regard to ongoing tag rebates?

**The Hon. C.M. SCRIVEN:** We had a number of different discussions. We discussed whether a larger rebate for a shorter period of time would work best, or whether a rebate, as we have ended up landing on, that was over a further two years would be appropriate. I think it is probably fair to say there will always be a diversity of opinions on any particular matter, but through consultation this is where we landed.

**Mr TELFER:** Given that Livestock SA has identified the need for \$11 million for stage 2 funding to support the government mandated sheep and farmed goat rollout, how does the minister justify that funding shortfall?

**The Hon. C.M. SCRIVEN:** As I said, the discussions were around what would be best for producers in terms of where we target the support that we had announced, and providing nearly all of that to producers for an eID tag discount—and it probably should be called a discount because it is at point of sale, as I understand it—was considered the most appropriate one. There is also a number of other aspects of the eID support package, remembering that, of course, we announced an additional \$4.5 million in April, but prior to that we already had a significant investment of \$12.869 million over two years from both state and commonwealth funding.

We are, as I mentioned, also funding support for essential equipment and also the eID Advantage Program. This was developed, as I recall, particularly with Livestock SA and others, because it is a three-year program to assist producers and the supply chain to improve their awareness and knowledge of the national mandatory eID implementation, and also the practical application of eID technology. As I mentioned, it is for traceability, but it also assists with productivity and profitability. Meat and Livestock Australia are contributing an additional \$140,000 which makes the eID Advantage Program a \$1.04 million program.

**Mr TELFER:** So with the subsidy changing, basically that additional cost burden is going to be on primary producers?

**The Hon. C.M. SCRIVEN:** Well, we are continuing to provide a discount in this case of 47.5¢ per tag.

**Mr TELFER:** So the difference between those two is going to be a burden on industry?

**The Hon. C.M. SCRIVEN:** Producers have always needed to pay for tags as part of their business costs. Here in South Australia, we provided a subsidy and now we have committed to providing a further subsidy for the next two years.

**Mr TELFER:** Do you think eID tagging subsidies are a drought support measure?

**The Hon. C.M. SCRIVEN:** It is a matter of the cost of doing business for drought-affected farmers. In this case, eID tags are obviously a cost of doing business and so this is one way that we can assist them in reducing their costs over the next two years.

**Mr TELFER:** I was curious that included in the drought measures is an extension, as you call it, of the subsidy but a lesser subsidy and then calling it drought measures. Is this something which has been government mandated but you are now dressing it up as a drought support measure?

**The Hon. C.M. SCRIVEN:** This is a nationally mandated program. I have just been reminded that this was something specifically raised by Livestock SA at the drought round table that they had with the Premier, and my understanding is it has also been constantly raised by Livestock SA throughout the drought advisory groups.

**Mr TELFER:** Just one more before 11 o'clock. Back to the charity hay run, we have we have bounced around a lot of numbers, and I am looking for a bit of clarification. You spoke about the \$3.4 million that have been allocated in this 2024-25 financial year as the amount that has been expended so far.

**The Hon. C.M. SCRIVEN:** The subsidy?

**Mr TELFER:** The amount that has been expended so far for the fodder charity subsidy, \$3.4 million? We have said that number a few times. It is what has been expended so far?

**The Hon. C.M. SCRIVEN:** That is my advice, yes.

**Mr TELFER:** So for clarification, there is still \$2.6 million of funding to be allocated that is still available for charity hay runs from now onwards; is that right?

**The Hon. C.M. SCRIVEN:** According to my maths, yes, that would be right.

**Mr TELFER:** So that is still an amount which is available for those five or six charities to apply to PIRSA for additional funding for future charity hay runs?

**The Hon. C.M. SCRIVEN:** Yes, that is my understanding.

*Sitting suspended from 11:01 to 11:17.*

**The CHAIR:** I understand the minister has responses to some of the questions that she said she would get back to, so if you want to lead the way, minister.

**The Hon. C.M. SCRIVEN:** I think I undertook to provide some additional information or clarification in regard to the Pooraka market. The total state funding was \$4.2 million, according to my advice. I just want to clarify that when I said there was nothing in the budget for stage 2, that is nothing new in this budget. It is worth pointing out that obviously there had been announcements made in previous budgets, so I did not want to be misleading the member there.

**Mr TELFER:** For clarification on that, is there a cost expectation for future budgets for the development of stage 2?

**The Hon. C.M. SCRIVEN:** There I can refer back to my earlier answer where I said there are discussions that are continuing.

**Mr TELFER:** I will continue on with questions around the eID. It is Budget Paper 4, Volume 4, page 55, obviously the rollout and the management of it. You referred to some of the market challenges and the like for the industry. Is there consideration within government to increase the rebate to match what it previously was or to provide any additional support to producers if the cost of eID tags increase due to supply chain or market pressures?

**The Hon. C.M. SCRIVEN:** I think that is a bit of a hypothetical question. I know that when the first part of the mandatory eID became the situation, there was a concern that the tag amounts would increase. According to my advice, that did not occur in a significant way. We are certainly hopeful, and I think this is probably the case nationally, that it will not result in a significant increase.

I think it is also worth reflecting that a number of other jurisdictions do not have the same sort of subsidy in place for an extended period of time. My advice is that the New South Wales subsidy, for example, is due to expire in October this year and, according to my advice, at this stage there has not been any announcement of extension. Tasmania's only goes until January 2026 and Western Australia's until December 2025, for example. So South Australia's subsidy goes longer than any other jurisdiction, according to my advice.

**Mr TELFER:** Do you have any advice on the stage of rollout that those states that you are doing that comparative work on are at as far as the rollout amongst producers in New South Wales, Tasmania, Western Australia?

**The Hon. C.M. SCRIVEN:** You need to be more specific in terms of advice about their rollout; how do you mean?

**Mr TELFER:** What proportion of their flock have effectively had the eIDs rolled out to them compared to South Australia?

**The Hon. C.M. SCRIVEN:** We are operating under a national scheme. Individual states have been able to make some of their own decisions within that, but I do not think the eID in other jurisdictions is mentioned in the budget papers.

**Mr TELFER:** Can you clarify for me that, come 1 July, there is an expectation that South Australian saleyards will have functioning eID infrastructure in place? It is 1 July that is the time where it is obligated; you have not extended that out any further?

**The Hon. C.M. SCRIVEN:** It is probably worth looking at what the situation has been in regard to saleyards. There was initial consultation with the Industry Advisory Committee from December 2023 on scanning dates for saleyards as well as for producers and processors, and that is all in regard to property and property movements. There was an options paper proposed for a commencement date for scanning at saleyards from 1 January 2025. So under that, it would have already been in place, and that was per the Livestock SA sheep and goat traceability steering committee transition plan.

Indeed, I am advised that Industry Advisory Committee members actually expressed quite a strong preference for the 1 January 2025 commencement, but also recognised there would be challenges and concerns expressed by some saleyards in meeting a January date. So based on industry feedback, commencement for saleyards of 1 July 2025 was adopted.

In terms of the individual saleyards, it varies of course, but whilst PIRSA is encouraging saleyards to have all of their infrastructure in place by then—and certainly, according to my understanding, some saleyards will be in that situation, but others are finding it more of a challenge. The focus for PIRSA on the transition period between 1 January 2025 and 1 January 2027 will be to educate industry on their requirements.

The main approach to noncompliance will be through education, but it is also fair to say, obviously, that is going to be on a case-by-case basis and assumes good faith attempts to become compliant in terms of scanning equipment.

**Mr TELFER:** Do you have advice as to how many saleyards will not have that infrastructure in place come 1 July?

**The Hon. C.M. SCRIVEN:** According to my advice, there are only one or two that have expressed strong concerns about being ready by 1 July.

**Mr TELFER:** How many saleyards are there in South Australia?

**The Hon. C.M. SCRIVEN:** I am advised there are 17 saleyards in South Australia.

**Mr TELFER:** Of those 17 only one or two have expressed concern that they will not have the infrastructure in place in time for the 1 July deadline?

**The Hon. C.M. SCRIVEN:** That is my advice.

**Mr TELFER:** What contingencies are in place for those one or two to ensure compliance with the expectations of the department?

**The Hon. C.M. SCRIVEN:** As I mentioned, if assuming there is good faith to attempt to get the scanning equipment in place, the department recommends that they work closely with saleyard agents to develop contingencies. For some that might be things like handheld readers or wands as an interim measure, but they can work closely with the agents to come to a contingency to do their best to meet that deadline.

**Mr TELFER:** So individual saleyards will bear the cost of those handheld scanning devices?

**The Hon. C.M. SCRIVEN:** Handheld scanning devices are one of the pieces of equipment that are covered through the subsidies, but also I think many of the agents themselves have the handheld devices and I think that formed part of the subsidy as well, but I can double-check that.

**Mr TELFER:** Is there a variance of quality of data between the hard infrastructure that is going to be necessary within saleyards versus the handheld devices? You say that only one or two saleyards will be relying, potentially, on handheld devices for a period of time: is there some sort of concern to do with that data accuracy variance between those two modes?



**The Hon. C.M. SCRIVEN:** I think the bigger concern would be if they were not attempting to gather any of that data at all. The whole reason for moving towards electronic identification is to improve traceability in the event of an outbreak of an exotic animal disease. Diseases such as foot-and-mouth disease we are fortunate not to have in South Australia or in Australia at present, but that is a particular one of concern because it would have a huge negative impact on our industry for decades if that was to get into Australia.

The focus really is about making sure that we have the best traceability systems. As I mentioned, it also can assist with productivity but that is less of the goal here because that is an individual farm decision, but certainly we would expect an improvement in the amount of data would come from this.

**Mr TELFER:** Just cast your eyes, minister, to continue on that same page 55 and the highlights—there is a line, 'developed a business case in collaboration with the Department for Environment and Water to support River Murray communities' in response to the commonwealth's water recovery in the Murray Darling Basin. The agencies noted that a business case has been developed in collaboration with DEW.

The water recovery efforts in the Murray Darling Basin—and I have always taken note of your perspective when it comes to these sort of things, minister—if you do not believe that water buybacks will have a negative socioeconomic outcome for river communities, then why is the department developing a business case in collaboration with DEW to support River Murray communities in response to the water recovery?

**The Hon. C.M. SCRIVEN:** We just today signed an agreement to receive up to \$4.07 million from the Resilient Rivers Water Infrastructure program, Stream D of the Water Recovery Startup to develop the business case. South Australia has also signed an agreement with the Australian government to deliver the Sustainable Communities Program. This provides \$20 million to mitigate any social or economic impacts of water recovery in River Murray communities. I am advised that a further \$3 million will be provided to deliver the program, and that includes things like community engagement, monitoring and evaluation, and reporting.

The Department of Primary Industries and Regions led the development of a business case approach, working with the Department for Environment and Water to inform the design of a program to provide an orderly transition and a proposal for regional transition funding to mitigate identified regional impacts of the commonwealth water recovery. The business case has been drafted and is being discussed between commonwealth government and state government officials, and is currently still in draft form.

As part of the business case, a regional economic impact analysis of water recovery in the South Australian River Murray was completed, and that included a number of potential water recovery scenarios. PIRSA will continue to monitor the amount of water recovered from South Australia. I think that in terms of that emphasis on transition there will be some changes, but the overall impact is not expected to be unable to be mitigated.

**Mr TELFER:** Just for clarification in response to that answer, the highlights of the current financial year talk about developing a business case. Did you say that the business case is still in draft form?

**The Hon. C.M. SCRIVEN:** Yes, that is correct.

**Mr TELFER:** So should that highlight read 'developing'? When something is in a draft form, it obviously has not been finalised. There is still a lot of work that may or may not need to be done. When is this current draft business case expected to be finalised?

**The Hon. C.M. SCRIVEN:** It is subject to the discussions currently between the commonwealth and the state.

**Mr TELFER:** Has it been approved by cabinet?

**The Hon. C.M. SCRIVEN:** We do not talk about cabinet processes, but I think the honourable member should be able to infer that if something is in draft that means it is still under discussion.

**Mr TELFER:** In your response, you spoke about the communications with the commonwealth. Has the draft business case been submitted to the commonwealth government?

**The Hon. C.M. SCRIVEN:** What I have said is that there are discussions between the commonwealth government and state government officials.

**Mr TELFER:** Does the commonwealth government have the draft business case?

**The Hon. C.M. SCRIVEN:** There are discussions between the commonwealth government officials and the state government officials.

**Mr TELFER:** So it has not been formally submitted to the commonwealth government?

**The Hon. C.M. SCRIVEN:** I reiterate my previous answer that there are discussions ongoing at the moment.

**Mr TELFER:** What is the current status of the business case? What timeframes can South Australian irrigation communities expect for response and delivery of service, of support?

**The Hon. C.M. SCRIVEN:** The discussions are ongoing between the commonwealth and the state. Once those discussions are complete, then we will have a better idea of timelines.

**Mr TELFER:** Is there any indication of when you think discussions are going to be complete?

**The Hon. C.M. SCRIVEN:** As soon as is feasibly possible.

**Mr TELFER:** Just as soon as possible?

**The Hon. C.M. SCRIVEN:** Yes.

**Mr TELFER:** Do you expect it to be in quarter 1 of the upcoming financial year?

**The Hon. C.M. SCRIVEN:** We would hope to resolve it as soon as possible.

**Mr TELFER:** Do you expect it to be in the first half of the next financial year?

**The Hon. C.M. SCRIVEN:** That is a speculation.

**Mr TELFER:** It is a pretty simple question.

**The Hon. C.M. SCRIVEN:** Which I have already answered.

**Mr TELFER:** The department has—it says developed but obviously it is still developing—a business case. When is that business case going to be finalised?

**The Hon. C.M. SCRIVEN:** As I say, there are discussions ongoing between commonwealth and state officials.

**Mr TELFER:** Has the state missed out, or are they at risk of missing out, on funding, given the delay in movement of the development of this business case and the finite pool of commonwealth funds which is available to river communities right across the basin? Obviously, we are in potential competition with other states. Is this delay going to cost South Australians?

**The Hon. C.M. SCRIVEN:** My advice is that \$23 million has been allocated to South Australia, and those funds are not at risk.

**Mr TELFER:** So the business case is working off that \$23 million being the allocation for South Australia?

**The Hon. C.M. SCRIVEN:** The \$23 million is what we know has been allocated to South Australia.

**Mr TELFER:** So that is forming the basis for the business case that is being considered at the moment, and discussions have been had with the commonwealth government?

**The Hon. C.M. SCRIVEN:** I am not sure I really understand what your question is, other than what I have already said.

**Mr TELFER:** Okay, we will wait and see. This is something which is absolutely front of mind for river communities. The budget papers say it has been developed, but we are still waiting for it to

actually be finalised. It has not really been developed. There still has not been an agreement between the state and the commonwealth government. Are there any funds over and above that \$23 million that are going to be available?

**The Hon. C.M. SCRIVEN:** My advice is that the \$23 million is already committed, and future discussions with the commonwealth may or may not result in any additional funds from the commonwealth.

**Mr TELFER:** Is there a pool of money that may be available to South Australia over and above the \$23 million?

**The Hon. C.M. SCRIVEN:** My advice is that nothing further than the \$23 million has been committed by the commonwealth.

**Mr TELFER:** As a percentage of the total funding that the commonwealth is providing across the whole nation, what is the percentage that South Australia is getting? That \$23 million, how much of a percentage of the total funds is that?

**The Hon. C.M. SCRIVEN:** I imagine that is probably a better question for federal estimates, the Senate estimates, given that given that you are talking about federal funding.

**Mr TELFER:** You are not sure how much South Australia is getting of the total fund?

**The Hon. C.M. SCRIVEN:** I have just answered. It is a question about the federal budget, so you would need to address that through one of your colleagues to the federal government.

**Mr TELFER:** What I am looking at, minister, if you speak about the potential for other funding opportunities, I am looking at that comparative data for that \$23 million. What proportion of the total funding that is going to be available is that \$23 million?

**The Hon. C.M. SCRIVEN:** I have just given you an answer.

**Mr TELFER:** How can the committee consider whether there is opportunity for further funding if you are not letting us know what funding pool is going to be considered for further allocation?

**The Hon. C.M. SCRIVEN:** We are referring to what is in the current budget papers, and I think I have given you an answer in regard to what is in the current budget papers.

**Mr TELFER:** We will skip to Budget Paper 3, page 98, and speak around the Thriving Regions Fund. According to the website, there was just over \$5 million expended in the enabling infrastructure grants, and generally the Thriving Communities program has been around \$600,000. Could you provide the committee with a detailed breakdown of the 2023-24 Thriving Regions Fund expenditures? Obviously, there is some of that information that is public, so specifically leaning into the remaining over \$9 million not detailed in public reports.

**The Hon. C.M. SCRIVEN:** There is a large number of different programs. The Thriving Regions Fund is a \$15 million per annum commitment from the Malinauskas Labor government to strengthen regional communities. It places a greater emphasis on projects that act as enablers to regional industries to grow jobs and strengthen regional communities. My advice is that since the 2022-23 financial year we have committed nearly \$52.785 million from the fund to support important regional programs.

The commitment to date to the Thriving Communities fund is \$3.245 million. The Thriving Regions Fund offers small grants, between \$20,000 and \$50,000, specifically for projects which build social wellbeing, resilience and greater community participation. It is a non-competitive grant, so applications are assessed in order of receipt. So far in 2024-25, approximately 100 applications have been received. I have already announced funding for some of those applicants, and there will be further announcements very soon.

In terms of the Enabling Infrastructure Program, the total program commitment to date is \$10.073 million. This program consists of amounts from \$50,000 up to \$1 million, and the maximum amount can be extended to \$2 million where there are exceptionally broad benefits. This program is

particularly to provide support for infrastructure projects that strengthen and build strong regional communities.

In 2024-25, the Enabling Infrastructure Program has had a total of 45 expressions of interest (EOIs). It had a two-stage process, so there would be expressions of interests first of all, and then there would be an assessment made of those, and then some of those would be invited to progress to stage 2. That was particularly in response to feedback that we had on first coming to government that it can often be that a lot of time and, therefore, money is expended in terms of applying for grants when perhaps they did not have a great likelihood of success.

So this two-step program was designed in concert with Regional Development Associations to be able to streamline that so that the first stage would be simpler with less information required, and then those that were more likely to be able to proceed to funding would then be invited to submit a full stage 2 application. My advice is that in 2024-25, 20 applicants were invited to submit full applications, and I will be making announcements about those successful projects in the very near future.

**Mr TELFER:** Going back to 2023-24 and that additional expenditure, where was that extra money spent?

**The Hon. C.M. SCRIVEN:** When you say 'additional expenditure', how do you mean?

**Mr TELFER:** Publicly there are some figures for which we can easily have a detailed breakdown of expenditures, but there is \$9.3 million, by my calculations, that is not currently detailed within public reports.

**The Hon. C.M. SCRIVEN:** I am not quite sure where those amounts come from.

**Mr TELFER:** Can you give me a detailed breakdown of the 2023-24 distributions from the Thriving Regions Fund?

**The Hon. C.M. SCRIVEN:** I think I have been provided that advice here:

- Royal Flying Doctor Service Integrated Primary Health and Education Centre project, \$1 million;
- Tatiara District Council, Keith Industrial Estate expansion, \$800,000;
- Wakefield Regional Council, Celebrating Port Wakefield's Cultural Connection, \$1 million;
- Bundaleer Forest community, \$360,000;
- Naracoorte childcare centre refurbishment, \$500,000;
- Mypolonga Combined Sports Club, \$518,000;
- Kangaroo Island Community Club, \$230,000; and
- District Council of Elliston, short-term worker accommodation, \$665,000;

That was for 2023-24. For 2024-25 we are looking at the Balaklava Community Children's Centre, \$200,000, and the Australian Landscape Trust, \$443,000. Then there are several others that will be announced in the very near future. I think that probably sums up the information I can provide at this stage.

**Mr TELFER:** So the amounts there for the 2023-24 that you provided amount to around \$5 million. Is that the total moneys which have been distributed from the 2023-24 Thriving Regions Fund?

**The Hon. C.M. SCRIVEN:** That would be from the Enabling Infrastructure stream.

**Mr TELFER:** What about from the fund overall?

**The Hon. C.M. SCRIVEN:** My advice is that there is a total of just over \$17 million that has been expended in the 2023-24 financial year.

**Mr TELFER:** And that includes that \$5 million?

**The Hon. C.M. SCRIVEN:** Yes, it does.

**Mr TELFER:** What makes up the remaining \$12 million?

**The Hon. C.M. SCRIVEN:** There are a number of other parts of the Thriving Regions Fund. There is the Regional Leadership Development Program, which is over \$2 million. We mentioned the Enabling Infrastructure Program. This is the Strengthening Industries Program and the Thriving Communities Program.

**Mr TELFER:** Can you provide some details to break down that additional 12 million? You said about \$2 million. Is that \$2 million all in that 2023-24 year, or is that \$2 million over four years?

**The Hon. C.M. SCRIVEN:** The Regional Leadership Development Program is just over \$2 million over two years.

**Mr TELFER:** So the remaining \$11 million?

**The Hon. C.M. SCRIVEN:** There will be a number of different aspects there. The Mid Murray Council standpipe automation is \$207,000. I will just check this is the correct year. Which year are you asking about?

**Mr TELFER:** I am asking about 2023-24.

**The Hon. C.M. SCRIVEN:** I beg your pardon.

**Mr TELFER:** I am happy to go 2024-25 next, but we are on 2023-24 currently.

**The Hon. C.M. SCRIVEN:** With some of the additional amounts—it is written very small, so excuse me—there is a part of the snapper recovery program, which is \$2.15 million.

**Mr TELFER:** How much of a part?

**The Hon. C.M. SCRIVEN:** I am trying to remember the full snapper amount. It was either 6.8 or 8.8. We will just find out how much that was, but there was a proportion that was from this fund, given that obviously fishing is a significant part of regional industries. There was one portion of—I am sorry it is very small, so my apologies for not being able to see the amounts and the right figures—\$100,000 for the Riverland grape and wine blueprint, the marine scalefish fee relief of \$1.55 million, \$250,000 for Primary Producers SA that was announced three years ago, and a number of other ones that have been publicly announced and some of their funding comes from that financial year.

**Mr TELFER:** So it is fair to say that this fund has basically been used to fund items in regional South Australia that are government policy. The 1.55 that you spoke about is government policy. It is really over and above anything that is competitive directly for communities like some of the smaller numbers.

**The Hon. C.M. SCRIVEN:** The Strengthening Industries Program is particularly to assist industries in regional areas. It very much has a focus on retaining jobs and/or attracting jobs and so on. Further to previous public statements, it really does talk about the sorts of things it supports in primary and regional industries impacted by significant supply chain disruption. For example, the Riverland Wine Industry Blueprint is obviously very impacted by disruptions in the international markets, ditto for market access constraints, and changes to their operating environment. This program, Strengthening Industries, is very much focused on that industrial issue within regions or industries that have a significant impact on regions.

**Mr TELFER:** So the decision for the allocation of this fund comes back to you as minister?

**The Hon. C.M. SCRIVEN:** Yes, it does.

**Mr TELFER:** What advice, apart from your department, are you receiving to make decisions around the allocation from within this fund?

**The Hon. C.M. SCRIVEN:** When you say 'apart from my department', obviously my department engages with many organisations, whether that is industry bodies or whether it is the

Department of Treasury and Finance. They are able to provide advice on whether there are supply chain disruptions and whether there are market access constraints and so on. They would at times liaise with the department of industry and trade and with industry bodies and sometimes directly with business owners. For example, if I am trying to find whether there was one particular industry that was particularly impacted by something, PIRSA has various personnel who interact with industry—they have an industry section within PIRSA—and they would draw on that intelligence, utilising all the different advice that might be available.

**Mr TELFER:** Is there a formal structure or process within the department to escalate the consideration of items by you as the minister?

**The Hon. C.M. SCRIVEN:** It is on a case-by-case basis. Someone who wants to apply to the Strengthening Industries Program can contact PIRSA's regional advisers in the first instance. Sometimes they may then, either after that or separate to that, apply directly to me. I will seek advice from the department, in the various ways that I have just outlined, prior to making a decision.

**Mr TELFER:** Have you received feedback from within your department about that process? Is there clarity around how that process can be escalated for consideration?

**The Hon. C.M. SCRIVEN:** I have not received any feedback that it is difficult.

**Mr TELFER:** What about from communities? Both communities and industry are trying to have some sort of clarity and transparency around how this process is escalated. Have you received any feedback as to this fund in particular—how it is managed, not just now but into the future?

**The Hon. C.M. SCRIVEN:** No, not in my recollection.

**Mr TELFER:** The application assessment for the Enabling Infrastructure Program, according to the website, considers alignment with state and regional plans and priorities and the benefit of the project to the region. Can you outline what the state's plans and priorities are in relation to these projects? Once again, is that alignment purely based on the judgement of you as the minister?

**The Hon. C.M. SCRIVEN:** I think the honourable member is getting a little confused between the two programs. The Strengthening Industries Program is what we have just outlined, but the question that he has just asked is in regard to the Enabling Infrastructure Program. I am not trying to be critical; I just want to make sure that there is clarity for the honourable member.

**Mr TELFER:** Correct.

**The Hon. C.M. SCRIVEN:** In terms of the Enabling Infrastructure Program, the state and regional policies and plans and so on include the sorts of economic statements that governments make from time to time. Also, as I outlined very briefly earlier, this program has two stages of application: the first is an expression of interest that seeks some basic information and outlines, and then that is provided to the regional development associations to provide feedback.

They will also provide feedback on whether it aligns with their RDA regional plans, with the goal being to make sure that the sorts of things that are funded through the EIP are those areas that will have, essentially, the best bang for buck, the best outcomes, taking into account the fact that obviously there are state plans and priorities but also that regions have put a lot of work on the ground into developing their own regional plans. They then provide recommendations back to the department, which come to me, and I then make decisions around approvals.

**Mr TELFER:** So for clarification—and I have been scribbling down numbers as we go along and adding them up, trying to work out how much information you have actually provided to us—as far as the Thriving Regions Fund goes, can you provide for me a line-by-line breakdown for both the 2023-24 and the 2024-25 budget? I am happy for you to take it on notice.

**The Hon. C.M. SCRIVEN:** Sure. We will take that on notice.

**Mr TELFER:** I would certainly appreciate that because there is still a shortfall from the explanation that you have given to me so far, so I would certainly appreciate it.

**The Hon. C.M. SCRIVEN:** I might just make a comment more broadly about the Thriving Regions Fund, and the same was certainly the case when it was the regional development fund previously.

**Mr TELFER:** I have a couple of questions around cost recovery that I would appreciate getting to.

**The Hon. C.M. SCRIVEN:** Also, what was expended in a year will vary because, for example, a project might have been approved three years ago with the expectation that it would be completed within two years, and then due to circumstances, supply chain issues, whatever it might be, an individual proponent might ask for an extension of another six months or 12 months, which means that then that amount does not get expended, but it moves into the following year.

There are many instances of that occurring and, indeed, I stand to be corrected but I think there may even still be some from the Regional Growth Fund which, for various reasons, are still having amounts paid out. I recall when I was in opposition, you look at it and \$15 million does not seem to actually align, but that is some of the explanation around that.

**Mr TELFER:** I would certainly appreciate that line by line if possible. Budget Paper 4, Volume 4, across pages 56 and 57, looking at fisheries stuff, the Cost Recovery Implementation Committee. When is the cost-recovery review implementation road map expected to be publicly released?

**The Hon. C.M. SCRIVEN:** So just a little bit of background, the Cost Recovery Implementation Committee (CRIC) was formed with members from PIRSA and Seafood Industry South Australia to implement the government endorsed recommendations from the independent Cost Recovery Review Panel. The independent chair of the CRIC is contracted through PIRSA. Back in March 2022, we announced as one of our election commitments to undertake an independent cost-recovery review of the current seafood sector, and that was both fisheries and aquaculture, in terms of the cost-recovery policy and model, to ensure that it is sustainable and appropriate.

The Cost Recovery Review Panel was established and commenced their review following the announcement of member appointments on 15 December 2022. In February 2024, the government released the independent Cost Recovery Review Panel's reports into cost recovery for our state's commercial fisheries and aquaculture sectors and the government response to the recommendations in these reports.

The government's response to the independent Cost Recovery Review Panel's recommendations is publicly available, and it outlines our detailed consideration to each recommendation and our ongoing commitment to the sector. Building on the foundation laid by that panel's reports, PIRSA, as I mentioned, is collaborating with Seafood Industry South Australia (SISA) as members on the Cost Recovery Implementation Committee. Its purpose is to oversee the strategic implementation of the recommended cost-recovery measures, ensuring they align with best practises and meet the sector's and government's needs.

**Mr TELFER:** When is that implementation road map expected to be released?

**The Hon. C.M. SCRIVEN:** There has been some discussion around trying to understand what it is that the member is referring to in terms of the road map. The chair reports from the CRIC are available on the PIRSA website. There are various other documents that possibly the honourable member is confused with such as the marine scalefishery blueprint and those sorts of things. I am just not quite sure what it is that the honourable member is asking for, but I would refer him to the website to outline the steps that are being conducted.

**Mr TELFER:** When are the final CRIC reports going to be released publicly?

**The Hon. C.M. SCRIVEN:** CRIC reports of what?

**Mr TELFER:** The committee, the recommendations. This is about the implementation of the cost-recovery review.

**The Hon. C.M. SCRIVEN:** That is still ongoing, I guess is the answer, if I am understanding the honourable member's question correctly. That is still ongoing. They have not resolved that as yet so, obviously, it cannot be printed until it has been resolved.

**Mr TELFER:** What level of funding has been allocated to support the implementation of the cost-recovery review, including stakeholder engagement, system changes and program delivery?

**The Hon. C.M. SCRIVEN:** Funding of \$412,126, excluding GST, is granted to SISA to undertake the benchmarking activities of PIRSA's science and compliance programs which is a crucial recommendation that this state government embraced. Probably two of the very significant recommendations from the report that I referred to earlier, the panel's recommendations, were around benchmarking of both science and compliance.

The cost-recovery process that happens currently each year is that obviously there are base levels of service that PIRSA provides, and the discussions and I guess questions have been around whether the costing of those is in line with current expectations. A big part of the work will be independent consultants undertaking those benchmarking activities.

SISA and industry have indicated that they are very happy with the process so far. They were not concerned that the process would extend beyond the current cost-recovery setting process because this is benchmarking that will potentially have an implication for all future cost-recovery matters going forward for many years. The benchmarking is important and my understanding is that the timing around that was due to the specialists who needed to be involved and their availability.

**Mr TELFER:** When can industry expect to see changes? How long will this benchmarking take?

**The Hon. C.M. SCRIVEN:** My understanding is that the benchmarking is expected to be completed by the end of this year, and that would enable it to feed into the cost-recovery discussions that happen for the following financial year.

**Mr TELFER:** What measures are in place to ensure transparency and accountability through the implementation process, particularly the—

**The Hon. C.M. SCRIVEN:** Sorry, the implementation of what?

**Mr TELFER:** The cost recovery, particularly around fee structures and service standards. When the rubber hits the road for industry and they are being told that this is the expectation of the contribution that is going to be made, what measures around transparency and communications are in place to ensure that I, as the local member for a lot of it, but certainly as opposition, stop hearing that there is ambiguity and murkiness when it comes to how much industry are paying?

**The Hon. C.M. SCRIVEN:** There are a couple of things to respond to there. First of all, in terms of the benchmarking, we have outlined that and that the chair's reports are available on the PIRSA website—the minutes are on the PIRSA website, perhaps, is the correct way to put it. One of the other recommendations from the panel was that there be a consolidated statement. My understanding is that has already been implemented for this year.

Perhaps I may be telling the honourable member information that he already knows, but what has happened for cost recovery is that there are discussions that are undertaken—for the majority of them, it is every year—where PIRSA outlines the services that it will be providing. That will vary, sometimes from year to year, sometimes based on requests from industry. For example, a fishery might say, 'We would like additional monitoring of X because we have some concerns,' and they would understand that they were going to be paying for that as part of the cost-recovery process.

The 'single cost-recovery implementation statement' was the wording I was trying to find, which is for both fisheries and aquaculture, shows transparently the fees raised and how it is spent. That consolidated implementation statement was one of the outcomes from the review that I referred to. Once the benchmarking has been completed, as we have outlined already, towards the end of this year, then that can be provided to industry and will inform further discussions going forward.



**Mr TELFER:** In regard to what you are saying—the information that is publicly available, etc.—I am curious as to why the minutes from the previous meeting of the group from 13 May 2025 have not been published yet on the PIRSA website.

**The Hon. C.M. SCRIVEN:** I will have to take that on notice. We do not know the answer to that question.

**Mr TELFER:** Yes, thank you; if you could get the secretary of the committee to get it uploaded ASAP. Back to Budget Paper 4, Volume 4, page 55, looking at some of those initiatives—the standpipe upgrades. Of the \$2½ million announced for regional standpipe upgrades, how much has been spent to date?

**The Hon. C.M. SCRIVEN:** I will get some further advice, but my recollection is that that program was developed and opened up for councils to apply to. The applications from councils need to come in. They need to prepare them and then have them assessed. My expectation—I will wait to be corrected by my advisers if I am incorrect—is that process of application and assessment would not yet be complete.

**Mr TELFER:** So none of that money has hit the market yet. It is still going through the process?

**The Hon. C.M. SCRIVEN:** Councils have not yet fully applied, is my understanding. I have just been updated: a number of councils have expressed their interest but have not put in their formal applications at this stage.

**Mr TELFER:** How many formal applications have been received?

**The Hon. C.M. SCRIVEN:** I just said that none of them have put in formal applications at this stage. They have expressed an interest, but they have not submitted their formal applications at this stage.

**Mr TELFER:** How many councils have expressed an interest in funding under the standpipe upgrades?

**The Hon. C.M. SCRIVEN:** I will have to take that on notice. I am not sure that it is a formal expression of interest. I think it would be discussions with the drought support team.

**Mr TELFER:** So there have not been any decisions made about locations for allocation for this standpipe?

**The Hon. C.M. SCRIVEN:** The upgrades to standpipes would be for standpipes that are already in existence. For example, separate to this, prior to the announcement of the second tranche of drought support, the Mid Murray Council, through the Strengthening Industries Program, made an application for an upgrade to their standpipes. That includes for them automation of the standpipes, which means that it is easier for residents to access and there would be automated payment, whereas that contrasts with the current situation where people need to get a key to access them. They need to get that, I believe, from the council office in business hours, and so on.

That was funded through the Thriving Regions Fund, Strengthening Industries, but it did highlight the potential for other councils to also need funding for similar upgrades. The standpipes would be existing standpipe locations that councils already have, and if they see a benefit and need in terms of upgrading them, that is where they can apply to this fund.

**Mr TELFER:** What communications have been made to councils? This is the first time that I am becoming aware of an expression-of-interest process and then an application process. How is that being communicated to councils and their local communities when it comes to regional standpipe upgrades?

**The Hon. C.M. SCRIVEN:** There was a recent announcement in the government support package, where it was extended to \$73 million. I know there has also been a media release saying that the applications were open, and I am advised that all regional councils have been sent the guidelines.

**Mr TELFER:** Does the minister know how many standpipes are currently non-operational or failing to meet potable water standards?

**The Hon. C.M. SCRIVEN:** My advice is that PIRSA's understanding is that the issue was not around the quality of water, it is around the cost of managing them, which can be quite difficult for a number of regional councils. In terms of whether they are meeting the needs of their communities, that will depend on the council and the standpipe—we would not have direct information on that. PIRSA did contact all regional councils during the development phase of this to get an understanding from them, but that is based on the information that was provided by the councils at that time.

**Mr TELFER:** Keeping an eye on the time—and I know how strict the Chair is with this stuff—Budget Paper 4, Volume 4, page 59 states:

Develop a State Biosecurity Strategy to protect and support the state's economy, environment, amenity and public health by preventing and reducing pest and disease impacts, maintaining food safety and ensuring responsible agricultural chemical use.

Given that this is a target for 2025-26 to develop a biosecurity strategy, does that mean we do not currently have an existing state biosecurity strategy in place?

**The Hon. C.M. SCRIVEN:** My advice is that there are currently multiple policies in regard to biosecurity, whether that is relating to plants, pests, animal diseases and so on. We also have a number of documents in regard to our compliance with national protocols and national plans. This has been the situation for a long time, under both this government and previous governments, but feedback from industry is that there would be benefit to having a consolidated biosecurity strategy.

I think it is fair to say that as biosecurity threats and risks increase—as they do, it seems, almost on a monthly basis, with more international travel and with more international trade—the importance of biosecurity becomes greater and greater, so in response to that feedback the development of a strategy will proceed. It will guide South Australia's biosecurity focus over a five-year period, aligning with the Biosecurity Act, national strategies and projects, including considerations for alignment with the South Australian Economic Statement.

So far, the development of the strategy has included a series of three workshops, one held in May and attended by PIRSA biosecurity senior leaders, which provided an opportunity for leaders to participate in a strategic vision session, developing a program logic model and identifying opportunities that will support the development of the strategy.

A further workshop was held later in May to ensure that there were further perspectives from PIRSA more broadly. Then an industry session was held, which was focused, I think, on a couple of things in the biosecurity system, first of all the importance of industry's role but in terms of supporting the enactment of the Biosecurity Act. That was attended by diverse industry participants to ensure a broad range of views was captured.

At the risk of stating the obvious, I think it is really important that there is widespread industry participation in the development of a biosecurity strategy, because industries are both the recipients of benefits and also most at risk. It is fair to say that biosecurity is not just industry's responsibility. It is a responsibility of the community and of government and of industry. Indeed, in the Biosecurity Act which recently passed parliament that general biosecurity duty was explicit.

Involved in the workshop we have had participants from Grain Producers SA, Pork SA, Landscape Boards SA, the Horticultural Coalition, Primary Producers SA, Livestock SA, the South Australian Dairyfarmers' Association, the Australian Honey Bee Industry Council, Vinehealth Australia and the South Australian Forest Products Association. We will continue to engage with industry for all of the reasons that I have outlined.

**Mr TELFER:** Considering we started five minutes late, can I just have one more on that, Chair?

**The CHAIR:** Okay, I will be generous and give you one more question. Can the minister keep the answer short.

**Mr TELFER:** You referred to, in the development of that strategy, multiple policies that are already in place. As a part of the development of the strategy, have you considered—and if not, why not—an independent review of those policies that are in place? Obviously, it has been a pretty challenging time as far as biosecurity goes. I have asked a few questions on that. Would now be the time to do an independent review on the existing policies that are informing the development of that biosecurity strategy? If not, why not? Why has that not been the position?

**The Hon. C.M. SCRIVEN:** I think the honourable member refers to a good point, in that there have been number of biosecurity issues. Particularly where those are national issues, there is always a review of the response, and that will feed into development. Essentially, I do not think we can afford to wait; we cannot stop and have a review of every biosecurity policy, because all of them are evolving in many ways because of the current level of threat and risk that we have in Australia. I am confident that they are constantly under review.

I will just see whether my CEO has anything to add. Just to add to that, the commonwealth has recently developed a National Biosecurity Strategy, and we will obviously need to ensure that South Australia's strategy works within that.

**The CHAIR:** With that answer and the allotted time having expired, I declare the examination of the Department of Primary Industries and Regions complete. We will move right along to the portfolio of ForestrySA.

#### **Departmental Advisers:**

Prof. M. Doroudi, Chief Executive, Department of Primary Industries and Regions.

Mr T. Ryan, Chief Executive, ForestrySA, Department of Primary Industries and Regions.

Mr R. Robinson, Acting Chief Executive, Department of Primary Industries and Regions.

Ms A. Barclay, Director, Office of the Chief Executive, Department of Primary Industries and Regions.

Ms M. Spencer, Chief of Staff, Department of Primary Industries and Regions.

**The CHAIR:** For the portfolio of ForestrySA, the minister appearing is the Minister for Forest Industries. I advise that the proposed payments remain open for examination and call on the minister to make a statement and introduce any new advisers.

**Mr TELFER:** Sir, as the departments are changing over perhaps we could do the omnibus questions?

**The CHAIR:** Yes, if you want to do it now.

**Mr PEDERICK:** I will run with the omnibus questions:

1. For each department and agency reporting to the minister, how many executive appointments have been made since 1 July 2024 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 2024 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 2024?

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 2024, 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 2025-26 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 2025, 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 2025-26 and each year of the forward estimates, and what is the estimated FTE impact of these measures?

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

- (a) What was the actual FTE count at June 2025 and what is the projected actual FTE account for the end of each year of the forward estimates?
- (b) What is the budgeted total employment cost for each year of the forward estimates?
- (c) 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 2025-26 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 2025-26 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 2025-26?

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 2024 and budgeted expenditure for 2025-26, 2026-27 and 2027-28.

14. For each grant program or fund the minister is responsible for, please provide the following information for the 2025-26, 2026-27 and 2027-28 financial years:

- (a) Name of the program or fund;
- (b) The purpose of the program or fund;
- (c) Budgeted payments into the program or fund;
- (d) Budgeted expenditure from the program or fund; and
- (e) 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:

- (a) Is the agency confident that you will meet your expenditure targets in 2025-26? Have any budget decisions been made between the delivery of the budget on 5 June 2025 and today that might impact on the numbers presented in the budget papers which we are examining today?

- (b) Are you expecting any reallocations across your agencies' budget lines during 2025-26; if so, what is the nature of the reallocation?
16. For each department and agency reporting to the minister:
- (a) What South Australian businesses will be used in procurement for your agencies in 2025-26?
- (b) What percentage of total procurement spend for your agencies does this represent?
- (c) How does this compare to last year?
17. 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?
18. 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?
19. 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?
20. How many and what percentage of staff who undertake procurement activities have undertaken training on participation policies and local industry participants this FY?

**The CHAIR:** Thank you, member for Hammond. You did fall well short of breaking the record for the reading out of the omnibus questions. It is still held by the former member for Mount Gambier, Rory McEwen, who I understand read it out in a blistering pace of two minutes for that whole series of questions. Minister, you can introduce your new advisers, and if you wish to make a statement, go ahead.

**The Hon. C.M. SCRIVEN:** Thank you, Mr Chairman. I know the opposition always has difficulty filling the hour with questions on forestry, so I am helping them out by giving an opening statement. I reintroduce Professor Mehdi Doroudi, Chief Executive of PIRSA, and also introduce Mr Tim Ryan, Chief Executive Officer of ForestrySA. On my far left is Mr Rob Robinson, Acting Executive Director of PIRSA. Behind me is my Chief of Staff, Ms Meagan Spencer, and Ms Ann Barclay, Director, Chief Executive Office, PIRSA.

The government's industries in forestry are led by both ForestrySA and the Department of Primary Industries and Regions. I will state that I am happy to have questions in this section both in regard to ForestrySA and PIRSA; there is no necessity to separate them out. The South Australian Forestry Corporation, trading as ForestrySA, is a statutory authority with commercial and regional social and economic responsibilities, which include management of the Mount Lofty Ranges Forest Estate, with more than 10,000 hectares of commercial pine plantation area and the delivery of specified non-commercial services on behalf of government.

The sustainable harvest of ForestrySA's estate continues to support the South Australian wood processing industry with sawmill customers and supply chain businesses in the Mount Lofty Ranges adding value to South Australia's regional economies. Critical services provided by ForestrySA include the provision of community fire protection beyond that required for the protection of their commercial plantations.

Although the fire danger season was relatively benign, ForestrySA's capabilities in plantation, forest and bushland fire protection make a valued contribution to the firefighting capability in the communities where they operate. Sustainability is the cornerstone of all ForestrySA's future initiatives. Evolving areas include opportunities to enhance wood fibre utilisation.

PIRSA is responsible for providing policy advice and the implementation of the government's initiatives to develop the state's forest and wood products industry. South Australia's forest and wood products sector is significant to the state's economy, with the most recent official data showing a contribution of around \$1.57 billion and delivering 6,500 jobs directly. Additional figures from industry indicate that the direct and indirect figures for jobs is more likely between 18,000 and 21,000 because

that includes the manufacturing side, harvest and haulage, and so on. The sector plays an important role in our regional communities and, as a result, the state government is working closely with industry on a number of initiatives to ensure the sector's growth well into the future.

Significant progress has been made in the establishment of the new Forestry Centre of Excellence, the flagship development for our forest industry in the South-East and a key election commitment for the Malinauskas government having committed more than \$21 million to support the future prosperity of the sector of which \$16 million is for the centre.

I was proud to attend the ground breaking for the new Forestry Centre of Excellence building in April to mark the commencement of work for the permanent purpose-built facility at Mount Gambier's Research, Education and Training Precinct. I was also pleased to report that Professor Jeff Morrell commenced in February as the director of the centre. He is globally renowned for his distinguished career in wood durability and was selected following an international search.

We have also delivered on our election commitment to upgrade fire towers in the Limestone Coast, with the final tower at Penola becoming operational in time for last summer's bushfire season. This is the final deliverable of a partnership between the state government and the forest industry, which has seen an investment of almost \$5 million in landscape-level fire detection. This will help protect the forest estate and the many jobs it supports and importantly protect the community and the landscape in the South-East.

The staffed Penola tower complements the eight new AI-powered bushfire detection and monitoring cameras located at Comaum, Mount Benson, The Bluff, Furner, Mount Burr, Carpenter Rocks, Lucindale South and Cave Range, installed to work in conjunction with the upgraded fire tower network. Powered by Pano AI, the monitoring system is Australia's first fully integrated bushfire detection platform, utilising ultra-HD 360-degree panoramic cameras and aimed at improving the early detection of fires.

Giant pine scale is continuing to cause concern in Adelaide's north-east, with ForestrySA and PIRSA working closely with SA Water and the Department for Environment and Water, as well as local government and the forest industry, to continue to manage the situation. Projects as part of the South Australian Wood Fibre and Timber Industry Master Plan are continuing and we have been very pleased to work closely with industry around many of those projects.

We know that investing in the future of primary industries is vital to grow regional economies and regional communities and forestry is no exception. That is also why we continue to invest and mark the importance of this industry. For example, this year marks the 150<sup>th</sup> anniversary of the state's forest and timber industries and we can reflect on the globally significant achievements and success of our South Australian sector. The South Australian government is ambitious for the future prosperity and growth of the state's forest and timber industries, and that ambition has been backed by delivery of its key election commitments and investments. I look forward to seeing what the future brings for this important industry.

**Mr TELFER:** I do not know if you have behind there the record on opening statements or not, I will have to check with you later, sir.

**The Hon. C.M. SCRIVEN:** Tim Whetstone, 15 minutes.

**Mr TELFER:** I think with the cumulative effect, we will have to review it, sir.

**The CHAIR:** When you were in government, there were a number of very long opening statements.

**The Hon. C.M. SCRIVEN:** And he wanted separate ones from ForestrySA and forestry within PIRSA.

**Mr TELFER:** I refer to Budget Paper 4, Volume 4, on page 60. That is specifically about Sub-program 1.5. There is a table there on page 60 that has an income of the 2023-24 actual of \$860,000 and then nothing to follow. Can the minister give me an explanation as to why? What was the source and the purpose of that \$860,000 income in 2023-24?

**The Hon. C.M. SCRIVEN:** The \$860,000 was a payment from ForestrySA to PIRSA to further support the Bundaleer Forest and the Mid North Forests Future Strategy. The government has completed the Mid North Forests Future Strategy, which has delivered a positive outcome for the regional stakeholders involved.

Honourable members may recall the major bushfires about a decade ago that destroyed much of Bundaleer and Wirrabara Forests, prompting the government to pursue a process to secure a sustainable future. All lands are now being managed for new and expanded enterprises, including forestry, agriculture, conservation and recreation management.

The Bundaleer Forest Community Areas Association has worked hard to attract grants from the South Australian and local governments and these combined—I must say with very significant volunteer efforts—have led to the construction of a purpose-built function centre, Maple & Pine, and a nature play facility. I was fortunate to visit the Bundaleer forests and be shown around by the volunteers, probably going back maybe 2½ years or maybe a little bit more, and it was very impressive to see what they had been able to put together there through multiple grants.

The recent support from this government includes \$860,000 for the Bundaleer Picnic Ground essential works grant. That, together with other grants, has enabled the following works to be undertaken in the forest picnic ground community precinct, including:

- accessible public toilets;
- a water supply system for the public toilets and fire tanks;
- boundary and other fencing;
- fire track creek crossing repair;
- arboreal assessment and treatment;
- a reticulation system, solar panel, pump and battery; and
- a storage shed for fire equipment, tools and chemicals.

The works are crucial to ensuring the Bundaleer Picnic Ground community area remains safely open to the public for walks, forest kindy, forest school and tourism development. The Mid North Forests Future Strategy back in 2015 identified alternative land management options, including considerations for social and environmental values. This was one portion of ensuring that the Bundaleer Forest area remains open safely to the public into the future.

**Mr TELFER:** Forest kindy sounds fascinating.

**The Hon. C.M. SCRIVEN:** It actually is. I was very pleased to be able to see that when I was there. The children come from local kindergartens and are introduced to the forest.

**Mr TELFER:** Released into the forest!

**The Hon. C.M. SCRIVEN:** Also, of course, in that area are some of the original plantings for forestry in South Australia. There is a diversity of different plantings there. We are of course used to Tasmanian blue gum and radiata pine being the main two species that we have continued in South Australia, but back in 1875 there were a number of experimental plantings.

The Premier and I were very pleased to be at a recent event in Mount Gambier that marked 150 years of sustainable plantation forestry in South Australia. The Premier referred to the work that was done by Goyder in establishing Goyder's line and the impacts on forestry. If we look at things like the development of radiata pine, a pine forest in the Bundaleer area would probably take roughly 60 years to come to fruition and be able to be harvested, whereas the South-East is of course far more suited: it is a roughly 30-year rotation.

The work that has been done since the beginnings of plantation forestry in South Australia in the Mid North has been absolutely crucial, and forest kindy will encourage young children to continue to be interested in that, as well as in many other aspects of forestry and the natural environment.

**Mr TELFER:** That was not a question, that is for sure.

**The CHAIR:** Next question.

**Mr TELFER:** Minister, can you clarify that the funding from ForestrySA, the \$860,000, was the total amount provided to the Bundaleer Forest community program, or was there a separate grant under PIRSA's Enabling Infrastructure Program?

**The Hon. C.M. SCRIVEN:** Yes. There was a separate \$360,000 under the Enabling Infrastructure Program, and I outlined the very many parts of the project in my earlier answer.

**Mr TELFER:** So the total for that is about \$1.2 million for the—

**The Hon. C.M. SCRIVEN:** I just want to check your—

**Mr TELFER:** Yes, this was in my head; I did not write it down.

**The Hon. C.M. SCRIVEN:** It is \$1.220 million.

**Mr TELFER:** That was the total amount. Thank you very much. Going on from that, on page 60 there is some explanation as to significant movements, further down the page. I refer to the expenses of \$6.5 million in 2023-24 increasing to \$7.2 million under what was estimated will come in 2024-25 and then dropping sharply to just \$3.1 million in the current budget. Can you please expand on the explanations around the movement of those expenses?

**The Hon. C.M. SCRIVEN:** My advice is that the net cost of the sub-program shows a decrease of \$4.1 million in 2025-26 that is primarily due to a one-off expenditure in 2024-25 for the Forestry Centre of Excellence program, which is \$2.6 million; a one-off expenditure in 2024-25 for the Bundaleer Forest Reserve program, which is \$0.9 million; and the profiling of expenditure for the Forest Industries Domestic Manufacturing and Infrastructure Masterplan, which is \$0.7 million.

**Mr TELFER:** So of the expenses of \$7.227 million, you said \$2.6 million as a total for the Forestry Centre of Excellence; is that right?

**The Hon. C.M. SCRIVEN:** My advice is that the expenses, which show a decrease of \$4.1 million in 2025-26, are primarily due to the one-off expenditure of \$2.6 million for the Forestry Centre for Excellence; the \$0.9 million for Bundaleer Forest Reserve program; and what I just outlined, the \$0.7 million in terms of profiling of expenditure for the master plan.

**Mr TELFER:** So of those expenses, the \$7.2 million, how much of that was allocated to the rebuild of the fire towers initiative and the forest products master plan? You spoke about the \$2.6 million for the Forestry Centre of Excellence. How about those other two projects?

**The Hon. C.M. SCRIVEN:** Sorry, the two being the fire towers, did you say?

**Mr TELFER:** The rebuild of the fire towers initiative and the forest products master plan.

**The Hon. C.M. SCRIVEN:** My advice is that the fire towers were in the previous budget, so that is not reflected in the amounts that the honourable member is referring to here. I also already outlined the \$0.7 million in regard to the master plan.

**Mr TELFER:** You referred to the centre for excellence and I think the scheduled date of 26 January. Are you confident that the centre will be delivered on time and within budget?

**The Hon. C.M. SCRIVEN:** As I mentioned in my opening statement, I was at the ground break of the centre for excellence and the advice that I have so far is that it will be complete in early 2026. I do not think there is anything further to be concerned about around that. Obviously, having said that, weather events and so on can occur, but the hope and expectation, all other things being equal, is that it will be completed at that time. In terms of the establishment, we have committed \$16 million in total and that includes both the build as well as the long-term commitment to the actual research capability.

**Mr TELFER:** For clarification on the 2024-25 estimated result, the \$7.2 million, you said that there is no allocation for the rebuild of the fire towers initiative and that was in previous years. What made up the total of the \$7.2 million then? Obviously the centre for excellence is \$2.6 million, but what was the breakdown of that expenditure of the \$7.2 million in the 2024-25 estimated result?



**The Hon. C.M. SCRIVEN:** You are talking about the total expenditure. We have talked about the variances, but you want to know the base programs or the total expenditure of the \$7.2 million?

**Mr TELFER:** The total, yes.

**The Hon. C.M. SCRIVEN:** I think in terms of total expenditure we will probably need to take that on notice because my understanding is that would cover a wide variety of expenses which we would not necessarily have here. What we have outlined are the variances.

**Mr TELFER:** Thank you, I appreciate you taking that on notice. The line there on that same page around FTEs, obviously there is no comparative to the rest of the department, it is not a big allocation, but from 2023-24 of eight FTEs it decreased down to 6.6. What roles or functions were reduced or restructured to account for this drop?

**The Hon. C.M. SCRIVEN:** My advice is that there have not been any reductions in positions within the amount that has been referred to. It refers to things such as long service leave. For example, when you have a small team—as clearly we do here with six, seven, eight people—something such as long service leave can appear to have a significant impact, but my advice is there has not been any removal of positions.

**Mr TELFER:** So conflation in the 2023-24, and the 6.7, 6.6 is about the normal operating?

**The Hon. C.M. SCRIVEN:** Yes.

**Mr TELFER:** Continuing on, there is a highlight in 2024-25 at the top of page 60, 'Supported the expanded Forest Industries Advisory Council, including progress on its workplan.' Can the minister outline the purpose of the expanded Forest Industries Advisory Council and the rationale behind its expansion?

**The Hon. C.M. SCRIVEN:** Certainly, yes, I can. The government supported and expanded the role of the Forest Industries Advisory Council of South Australia (FIACSA) ensuring it continues to reflect the contemporary needs of industry. We expanded it so that it had a wide scope in terms of its involvement with various stakeholders within industry. The council is assisting the government to deliver initiatives including providing advice on the priority projects to be funded under the South Australian Wood Fibre and Timber Industry Master Plan.

I can advise that, as at the time of writing this brief dated 6 June, the membership was Tammy Auld, from the South Australian Forest Products Association, who was co-chair with Michelle Ingley-Smith from the skills and training sector; Laurie Hind, Green Triangle Forest Industries Hub; Wendy Fennell, Green Triangle Forest Contractors Group; Peter Badenoch, South Australian Timber Processors Association; Alicia Langfield, the National Timber and Hardware Association; Travis Lawson from the forestry union; Cathy Bell representing employees in the forest industry; Vanessa McLaughlin from the Department of Treasury and Finance; Dan Jordan from the Department for Environment and Water; Andrew Dunbar from the Department of State Development; Andrew Excell, Department for Infrastructure and Transport; and Jo Collins from the Department of Primary Industries and Regions.

The expanded council comprises representatives from government agencies, industry associations and other stakeholders, particularly the workforce appointed for their skills, expertise and understanding of forestry issues, and the ability to consider the long-term interests of the industry.

**Mr TELFER:** With regard to the expansion of that council, what did it expand from and to? What additional expertise has been added to the council upon its expansion?

**The Hon. C.M. SCRIVEN:** I will double-check my comments, but I will be operating from memory—it included the skills and training sector, which, if I recall correctly, under the previous government, FIACSA did not, and also representatives of the workforce. If I am incorrect on that from my memory, I will certainly correct the record. I have also been reminded that expanded the government agencies. Under the prior iteration of FIACSA, it was just PIRSA, but as I outlined, the members of FIACSA include the other departments that also have a significant impact on the forest industries, including DEW, the Department of State Development, the Department for Infrastructure and Transport, and the Department of Treasury and Finance.

**Mr TELFER:** Do the members receive an allowance or sitting fee for being a member of FIACSA?

**The Hon. C.M. SCRIVEN:** They are reimbursed for their travel to meetings, if they claim it.

**Mr TELFER:** So there is no sitting fee over and above reimbursement for travel?

**The Hon. C.M. SCRIVEN:** There are no sitting fees; that is correct.

**Mr TELFER:** What funding or resourcing is being allocated to support the operations of FIACSA in 2025-26?

**The Hon. C.M. SCRIVEN:** They are funded from within existing PIRSA resources. PIRSA provides a secretariat. We are always very pleased to have Mr Rob Robinson, who joins us here today as well, as a key part of FIACSA in terms of the management of that, and then there is a second staff member who assists with distribution of minutes and papers and so on.

**Mr TELFER:** What is the total allocation of resourcing that is put to FIACSA annually?

**The Hon. C.M. SCRIVEN:** I am advised that it is not a separate allocation as such; there is an allocation for industry engagement across PIRSA, and therefore it would come from there.

**Mr TELFER:** The current structure of the council is scheduled to operate until 30 June 2026, with a review of the council and its terms of reference at that point. What specific performance metrics or evaluation criteria will be used to assess its effectiveness?

**The Hon. C.M. SCRIVEN:** My advice is that so far the very strong focus has been on the master plan—first of all, the development of the master plan, but then, secondly, the implementation of various projects within that master plan. That master plan, of course, will be constantly reviewed at appropriate points. As the master plan projects are fulfilled, then the focus may change.

Having said that, it is not to say that has been the sole agenda item of FIACSA, but FIACSA itself raises issues that it wants to be considered. I have certainly been very pleased with the engagement, particularly in terms of the long-term future of the forest industry. The master plan looks both at some short-term matters but also some of the longer term matters; for example, things around decarbonisation of the transport task, as just one example.

**Mr TELFER:** My understanding is the operations of FIACSA, the current structure, the expanded structure, is due for review come June 2026; is that right?

**The Hon. C.M. SCRIVEN:** We can take that on notice and come back to you, but it is also fair to say that FIACSA itself can suggest changes and so on at anytime. Simply that there should be a review, if, indeed, that is in the terms of reference of June or July next year, as the member has indicated, does not prevent ongoing reviews or changes as recommended or brought up by either the membership or indeed it could be from me.

**Mr TELFER:** I am just curious, in assessing the performance of the expanded structure, what metrics will be used to make recommendations to you as minister to either alter or accept ongoing the changes that are made? How will you be assessing the viability or the success of the expanded council structure?

**The Hon. C.M. SCRIVEN:** Essentially, there will be a number of factors: first, the quality of advice that I am receiving as minister. I can certainly place on the record that that quality has been very high to date and, second, the continued support of industry. If industry is not finding that their involvement is useful or adding value, I am sure they would withdraw from involvement and that would be another way of assessing it. FIACSA has met regularly, they are forward thinking and they are taking in perspectives from across the industry and various stakeholders within the industry. It is a very valuable council providing quality advice to me as minister.

**Mr TELFER:** Will the formal review be internal within the department or external? It says on the website that there will be a review of the arrangements.

**The Hon. C.M. SCRIVEN:** I cannot envisage that we would need an external review. I could be convinced if necessary, but I really cannot see what the value of that would be. It is just good practice that when a council, an advisory committee or something similar to that is established, it

obviously makes sense to keep that constantly in mind. That will occur but, as I said, that does not preclude us from continuous review or improvement during the term of the council either.

**Mr TELFER:** Yes.

**Ms STINSON:** I refer to Budget Paper 4, Program 4, Portfolio Forest Industry Statement on page 59. Minister, this is a topic very close to my heart and I was very keen to hear you talk about the involvement of children in the forestry sector earlier in your address. I was particularly interested in the Nature Play events that have been held. Can you tell us about the ForestrySA hosted Nature Play event that is held every year at beautiful Kuitpo Forest?

**The Hon. C.M. SCRIVEN:** I thank the honourable member for her question, and I think it is probably a question that a lot of people will be very interested to hear the answer to. ForestrySA forests provide scenic and safe open spaces for a variety of events and activities. The Nature Play Forest Festival is one of the great events hosted by ForestrySA in the beautiful Kuitpo Forest, and 2025 will be Nature Play's eighth year, emphasising its popularity with the local community.

Nature Play attracts around 3,000 visitors over two days every year, where the South Australian community can engage with nature in creative, sustainable and meaningful ways. It provides an opportunity to slow down, to wander with friends, while children let the curiosity take them on a meandering path of wonder, joy and creativity.

Nature-based activities for all ages, not just children, are available throughout the day, but children will be particularly excited by some of the specifics. They include things like nature crown and mask making, wall hanging, wand making and cubby building, Aboriginal message stone painting and more. The local Kaurna and Narungga elders come to share their knowledge about Aboriginal culture as well as part of this important event.

The event enhances community knowledge and understanding of ecological concepts, Aboriginal cultures, sustainability, nature's intrinsic values and respect for all living things. ForestrySA sponsors the event, as well as providing on-ground staff to help coordinate the event and educate about sustainable forestry practices, which are what South Australian forest industries are all about. Nature Play is an excellent example of government and industry working together to deliver economic and highly effective community programs. Visitors who attend come from far and wide, with 25 per cent coming from outside the Adelaide Hills tourism region.

**The CHAIR:** Good to see the kids logging in. Over to you, member for Flinders.

**Mr TELFER:** Can I just clarify a few final things on the advisory council, minister? You spoke a bit about the quality advice that you have been receiving already. Has it been formal advice received by you as minister from the council—advice, reports or recommendations? If so, will they be made public?

**The Hon. C.M. SCRIVEN:** I am pleased to be able to advise the honourable member that I have been involved, I think, in every FIACSA meeting, so clearly I am able to benefit from the advice that I received whilst actually attending the meetings, but also after each meeting a communiqué is issued which is, I am advised, published on the PIRSA website, so there is clear information about what has been discussed and covered. More broadly if there are minutes, as in a minute, coming to me from the department, it of course will often incorporate advice that has been received through the membership of the FIACSA.

**Mr TELFER:** So have there been any formal recommendations or advice? In the discussion in the council that you can be privy to, have there been any formal resolutions from the council, recommendations or advice made to you as minister?

**The Hon. C.M. SCRIVEN:** I have received formal advice on recommendations around projects that could be funded through the master plan.

**Mr TELFER:** Will that advice be made public?

**The Hon. C.M. SCRIVEN:** It is not usual to make a minute to a minister public. Certainly, the opposition is welcome to FOI, if they so wish.

**Mr TELFER:** Thank you. I appreciate your permission.

**The Hon. C.M. SCRIVEN:** You are welcome. I always like to assist.

**Mr TELFER:** What role, if any, does the council play in overseeing or advising on some of those key initiatives spoken about within the papers, such as the Forestry Centre of Excellence or the rebuild of the fire towers? What role does the council play in those major projects in particular?

**The Hon. C.M. SCRIVEN:** The fire towers were not part of the master plan, and therefore the advice could be, I guess, more informal. Noting what I outlined is part of FIACSA, you can see that it covers all of the stakeholders, really, in terms of representation, whether that is contractors, whether it is harvest and haulage, whether it is tree growing, forest growing, so on and so forth.

They are certainly able to raise those matters at meetings of FIACSA, and from my recollection both of those have been raised at FIACSA meetings that I have been part of. Clearly, things like the fire towers have widespread interest, because they protect not only the forestry assets but also our local communities and other industries. That is something that has been most welcomed by those who are on FIACSA, as well as, no doubt, elsewhere.

**Mr TELFER:** I am interested in how smaller forestry operators are being represented on the council and what mechanisms allow or enable the assurance that their views are appropriately heard and listened to.

**The Hon. C.M. SCRIVEN:** When you say smaller forestry operators, what sectors within the industry are you referring to?

**Mr TELFER:** Across the sector, the small businesses rather than the big overall and the bigger operators; the smaller guys within the industry, in harvesting, processing and the whole process.

**The Hon. C.M. SCRIVEN:** The Green Triangle forest contractors group that is representative of contractors—so that includes harvest and haulage—and also the South Australian Timber Processors Association represent small processors. If there are any specific concerns that the honourable member has, I am certainly happy to provide additional information.

**Mr TELFER:** I am interested, again, in an understanding of the consultation processes that the council use to engage with industry and community stakeholders outside its membership. You rely on those groups you spoke about to ensure that they have that engagement with their members and they will pass that message on to council in deliberations that council have, rather than council directly engaging with some of the small business cohort that is represented?

**The Hon. C.M. SCRIVEN:** Those who are on there are not just representative; several of them are small businesses themselves, according to my understanding. I think the expanded FIACSA takes in a much broader cross section than the previous FIACSA, and I certainly have not heard any concerns from any businesses, certainly not directly, and I am not aware of any feedback that has been provided to PIRSA that it is considered anything other than very representative.

**Mr TELFER:** On page 59, as part of the objectives there is the statement, 'Works closely with industry and the community to drive sector and regional growth which has a long term and sustainable future.' I am interested if the minister is intending to address the recommendations of the parliamentary select committee in their report on Matters Relating to the Timber Industry in the Limestone Coast and Other Regions of South Australia. Are you going to address those recommendations; if so, when?

**The Hon. C.M. SCRIVEN:** As Minister for Forest Industries, I certainly welcomed the report and I thank the committee for its work and efforts over the last few years. It is fair to say that our government can stand on its record in terms of its investment since coming to government in 2022 in regard to the industry.

This committee was initially established when we were in opposition. I established that committee which, because of the wide variety of information that we heard from industry, was able to provide excellent insights from which we then developed our forestry policy which we took to the 2022 state election. Of course, the then government had no forestry policy that it took to that election.

Many of the recommendations proposed by the select committee are actions that the Malinauskas Labor government is already addressing. Some of our actions include:

- \$16 million over 10 years for the Forestry Centre for Excellence, and that addresses the long-term research and development capability and certainty for the forest industry;
- \$2 million over three years to develop and implement the domestic manufacturing and infrastructure master plan, and that includes a focus on future skills needs—which, if I recall correctly, was one of matters addressed in the select committee;
- the fire towers we have already discussed;
- development of the Trees on Farms initiative to quantify and promote environmental and economic benefits of on-farm plantations and guide appropriate partnerships between timber processors and land holders; and
- a number of other aspects that we are already addressing.

I have reached out to industry through the South Australian Forest Products Association for industry's feedback. On a general sense, and informally, the feedback has been that so many of the matters that are in that report are already being addressed by government, and indeed have been addressed over the last several years and, secondly, that there has been quite a change in the market in terms of forest products since that committee was re-established by the current Leader of the Opposition in the upper house. Industry has indicated that through SAFA they will provide a written response for my consideration as well, because I think that engagement with industry is always crucial.

**Mr TELFER:** Thank you. On page 60 in the highlights, and also in the targets, there is a bit of commentary around the monitoring of OneFortyOne's plantation compliance with its lease of the government's plantations in the Green Triangle. Has the government received any complaints or concerns from stakeholders like contractors, local councils or community groups relating to OneFortyOne's management of the estate in the last 12 months?

**The Hon. C.M. SCRIVEN:** My advice is that none has been received through PIRSA, and I certainly have not heard any concerns, as the honourable member outlined. In fact on the contrary I have heard a number of comments, including at the 150-year celebration Friday week ago, that the level of investment that OneFortyOne has provided within the forest industry has been significant. They have also been heavily involved in workforce development, attracting people to the industry. Of course, that is not confined just to OneFortyOne but also includes other industry players within the sector.

**Mr TELFER:** Brilliant. So no complaints or concerns?

**The Hon. C.M. SCRIVEN:** Not in the last 12 months, no.

**Mr TELFER:** Has OneFortyOne completed their annual audit for the year?

**The Hon. C.M. SCRIVEN:** I am advised they have submitted the relevant information, and that is under review under the usual requirements of the contract.

**Mr TELFER:** Have those audit requirements been fully adhered to?

**The Hon. C.M. SCRIVEN:** I am advised the review of that is not yet complete. That is the normal sort of process and, I understand, the normal timeframes also. It is not yet complete.

**Mr TELFER:** Has OneFortyOne been found in breach of any lease conditions over the management of the plantations in the last 12 months?

**The Hon. C.M. SCRIVEN:** My advice is that it does not appear so but, as was mentioned, the department is still undertaking that review.

**Mr TELFER:** When is the review due to be completed?

**The Hon. C.M. SCRIVEN:** My advice is that part of the review is always to essentially ask lots of questions and ensure that there is all of the appropriate data, and that process is still underway.

**Mr TELFER:** Brilliant. With an eye on the clock, I want to finish with a couple of questions around the Trees on Farms Initiative. What fundings have been spent to date on the Labor government's Trees on Farms Initiative?

**The Hon. C.M. SCRIVEN:** It is a combination of investment. While the shortage of building timbers has eased for Australian builders, there still remains, of course, a need to secure future supply. The integration of trees into farming systems can help going forward. Planting more trees will also assist the state and the nation to decarbonise the economy and help reach net zero emission targets. The Trees on Farms Initiative is to quantify and promote the environmental and economic benefits of on-farm plantations, including soil protection, shade and shelter for livestock, and income diversification, and also to guide appropriate partnerships between timber processors and landholders.

There have been a series of information initiatives aimed at educating potential farmers and landowners interested in the on-farm forest plantation sector, and that is now available as part of the Trees on Farms Initiative. This includes a toolkit which was developed by the South Australian government in tandem with the Green Triangle Forest Industries Hub, featuring expert information and printable fact sheets to support and guide landholders in their commercial plantation investment. PIRSA continues to respond to inquiries from landholders interested in integrating trees into their properties and is open to participating in new initiatives that may support farm-based forestry.

**Mr TELFER:** How many farmers have taken up the initiative?

**The Hon. C.M. SCRIVEN:** There have been a number who have already been involved in farm forestry previously. In fact, one of the workshops that we held at The Commodore in Mount Gambier probably 18 months or two years ago was particularly useful to have involvement of some farmers who have already found it to be useful in terms of integration within their existing farm enterprise.

It can include benefits such as extra shade for livestock and so on. At that workshop, if I recall correctly, we also had some interstate people who were knowledgeable on how it could work. Indeed, I know that in Tasmania there is quite a well developed initiative, which is something that I am being provided with additional information about. So it is not as though there is a grant program that we can say, 'Oh yes, there have been 35 applicants and they have received grants.' I guess it is not that sort of quantifiable figure.

**Mr TELFER:** How much has been spent on this initiative in this financial year?

**The Hon. C.M. SCRIVEN:** Some of the expenditure has included a part-time project officer—or a period of time is perhaps more accurate for a project officer—information brochures and so on. My understanding is that the direct investment has been \$24,000 in this 2024-25 financial year, but, for example, these things are covered at things such as the Lucindale Field Day, so that would not be specifically, as far as I am aware, separated out as expenditure. So there are those other, if you like, in kind contributions that have occurred in this financial year as well.

**The CHAIR:** Thank you, minister. The allotted time having expired, I declare the examination of ForestrySA complete and the examination of the proposed payments and Administered Items for the Department of Primary Industries and Regions now complete. I would like to thank the minister. I would like to thank all the public servants. We more than recognise all the work that is done behind the scenes in the lead-up to estimates. I would also like to thank members of the opposition for their participation and contribution and also the government members.

*Sitting suspended from 13:17 to 14:15.*

**ATTORNEY-GENERAL'S DEPARTMENT, \$155,240,000**

**ADMINISTERED ITEMS FOR THE ATTORNEY-GENERAL'S DEPARTMENT, \$90,903,000**

**DEPARTMENT OF STATE DEVELOPMENT, \$479,748,000**

**ADMINISTERED ITEMS FOR THE DEPARTMENT OF STATE DEVELOPMENT, \$23,810,000**

**Membership:**

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

Mr Fulbrook substituted for Ms Stinson.

**Minister:**

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

**Departmental Advisers:**

Mr A. Reid, Chief Executive, Department of State Development.

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

Dr A. Dunbar, Executive Director, Industry, Innovation and Small Business, Department of State Development.

Ms D. Tembak, Executive Director, Portfolio Delivery, Department of State Development.

Mr C. Markwick, Executive Director, Industry and Workforce Capability, Department of State Development.

Ms K. Calaby, Director, Office for Small and Family Business, Department of State Development.

Ms O. Anemouru, Acting South Australian Small Business Commissioner.

Ms S. Sheridan, Manager, Budgeting and Reporting, Department of State Development.

**The CHAIR:** Welcome back to today's estimates committee hearing. 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. V.A. TARZIA:** Yes.

**The Hon. A. MICHAELS:** Yes, it is.

**The CHAIR:** I remind members that 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.

Briefly I also advise that: if the minister undertakes to supply information at a later date, it must be submitted to the Clerk Assistant via the Answer to Questions mailbox no later than Friday 5 September 2025. 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 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 wish.

I will now proceed to open the following lines for examination: the portfolio of the Office for Small Business and the Commissioner for Small Business and Family Business. The minister appearing is the Minister for Small and Family Business. I declare the proposed payments open for examination. I call on the minister to make an opening statement, if she so wishes, and to introduce her advisers.

**The Hon. A. MICHAELS:** Thank you, Chair. I would like to introduce, on my left, Mr Adam Reid, Chief Executive, Department of State Development, and Dr Andrew Dunbar, Executive Director, Industry, Innovation and Small Business. On my right I have Ms Kathryn Calaby, Director, Office of Small and Family Business. Behind me I have representatives from DSD: Ms Diana Tembak, Mr Callan Markwick and Ms Susan Sheridan, and Ms Olivia Anemouru from the Office of the Small Business Commissioner.

I do not propose to make an opening statement other than to thank all of our department people for the enormous amount of work that goes into preparing for estimates, and all the work that has been done in this portfolio over the last 12 months. Our small business sector, I am sure, is very grateful for the support they have received.

**The Hon. V.A. TARZIA:** Good afternoon, minister, and good afternoon to your team. I will start with Budget Paper 4, Volume 4, page 80, in terms of 'Program net cost of services', services and programs to support small and family businesses to start, operate and grow. The office's objective is to support small and family businesses in South Australia to grow, to innovate and to take advantage of new market opportunities where possible.

What does the minister say to concerns recently raised by, say, the chamber about government regulation becoming a barrier for small businesses in South Australia? They say it is something like the second biggest issue for businesses after costs, and keeps climbing up the ranks for the last few surveys. So how does the budget, how does this line, how does this office address those sorts of things?

**The Hon. A. MICHAELS:** We have been working really closely with the business chamber, with other industry associations on that particular red-tape issue. I think it is more than just saying the words, 'we are going to reduce red tape'; I think it is action, and I and the agency have certainly had a very keen eye on where we can reduce red tape.

I have done it in my other portfolio hats. For example, there is a liquor licensing amendment bill out for consultation at the moment. A number of changes in there are off the back of work we have done with the AHA and other industry bodies around reducing red tape in that liquor licensing space. I think the difficulty with red tape, and I have said this in several meetings with Andrew Kaye and the business chamber, is trying to find actual practical solutions to some of these things.

I know, off the back of some of our conversations, they have gone out to their members to specifically ask for examples, and I had a meeting with them probably only a few weeks ago where they admitted the specific examples were not readily flowing through from their members. I think what we have to do is really take it industry by industry. A lot of it is around how local government, state government and federal government work together.

What we did, probably about a month ago, was bring the hospitality sector together. I think if you focus industry by industry and actually try to nail some of these things, you are going to get better results. With the round table we had in mid May, we had industry associations including AHA and restaurant and catering. We brought together about seven or eight local governments, their chief executives, which had, I guess, a higher concentration of hospitality in their local government areas.

We had the Small Business Commissioner, our CBS Commissioner. We brought in SA Health, Green Industries, SA Water and SafeWork because they are some of the touch points where there is this regulatory burden. It was important that we had federal presence as well, so we had a representative from the commonwealth Treasury and someone from the Small Business Policy branch. We also had Bruce Billson, who is the Australian Small Business and Family Enterprise Ombudsman, appear and talk to us as well. We are certainly taking that feedback on board and trying to come up with actual practical solutions to some of these issues.

On 1 July, we announced today, the second-hand motor vehicle amendments are commencing again. That work was part of the reform with the MTA on some of the red-tape reduction in that industry. I have worked very closely with the former federal small business minister on the National Small Business Strategy, and all of the states and territories and the commonwealth have committed to looking at red-tape reduction across all of our jurisdictions, so I look forward to seeing that work rolled out.



We have, with the Small Business Commissioner, the Small Business Friendly Council program, and a component of that is red-tape reduction looking at councils being able to reduce red tape in their particular local government area, so that work is being done. There is another issue that I think might address some of these issues. It will not fix everything but some of these issues are how businesses communicate with government. What you will see in this budget is a commitment and funding for a feasibility study for a small business to government portal.

What we really want to do is not have an IT project that does not achieve what it wants, so I think the feasibility study is going to be really important to narrow down what that can do. I am hoping that we can make some progress on data sharing between state and federal governments to make things easier for small business in communicating with government agencies. That work is being done and there is funding for that as well.

There is certainly a lot of practical work being done. It is front of mind on any law reform that I undertake in my other portfolios and making sure we are actually doing something practical. As I said, I have talked to many industry associations about this issue with small businesses. Every time we have a small business round table I think I sound like a broken record saying, 'Please give me three things we want to achieve in red-tape reduction.' Certainly we are making progress but, again, it is practical action that is important more than just words.

**The Hon. V.A. TARZIA:** Just a supplementary to that: business confidence hit COVID era lows for the March quarter despite, obviously, Adelaide being in the middle of its events calendar.

**The CHAIR:** Which budget line are we talking about?

**The Hon. V.A. TARZIA:** Budget Paper 4, Volume 4, page 80, Small and Family Business, talking about programs. When you come to confidence levels, business confidence hit COVID era lows for the March quarter. What initiatives, if any, are there in the budget to address that confidence level and trying to increase that confidence?

**The Hon. A. MICHAELS:** I think there are a few things to think about with the particular state of business expectations you are referring to. One is the timing of when that was done, which was, from recollection, the week of or the week following the Trump tariff executive orders debacle and share markets tanking. That obviously had an effect on that.

What I think we have here in South Australia, when you compare us to other states, is that really we are in a good spot when you think of the Business Council saying we are the best place in the country to do business. When you consider some of what we have already done in terms of planning reform, and in terms of where we are on the national stage with our events and other things, yes, it is tough, but things are going better, I think, in South Australia than other states.

We have inflation getting under control on the national stage and interest rates dropping—that is going to help. We have some stability in the unemployment rate, which helps, and I think some of the things that we are doing to be able to support small businesses, our energy grants and other things to be able to deal with costs of business pressures will help confidence.

We have more businesses now than we did when we came into government. We are up to about 165,000 businesses, so we know that there is some confidence there, otherwise people would not be starting businesses. For example, in hospitality some of the data we have from the 2023-24 financial year shows that if you look at us compared to the rest of the country, about 28 per cent of all restaurants and cafes that were opened in Australia were opened in South Australia. I think that demonstrates that there is a level of confidence here. What happens in the rest of the world and the rest of Australia is obviously going to have an impact, but we are certainly putting every effort into making sure that our small businesses and family businesses are supported.

**The Hon. V.A. TARZIA:** I refer you to the same budget volume, but if we go to page 89, when you talk about Program 3: Small and Family Business, the objectives you state include 'To support small and family businesses in South Australia to grow, innovate and take advantage of new market opportunities'.

You made a point about external pressures, and there are many of those; in fact, they may have even shifted the federal election dynamic too. But coming to vacancy rates, even if you look at

today's paper, obviously these things move from time to time but in two of Adelaide's busiest retail strips, the Parade, Norwood vacancy rate jumped from a record low of 2.6 per cent in October to 6.6 per cent, and then on Prospect Road, some vacancies rose from 2.6 per cent to 7.9 per cent.

In your view, why are we seeing such a significant increase in what look to be business closures or vacancies under the government at the moment? Have you introduced any programs to address those failures and those vacancies? I know in the past governments of both persuasions have looked at specific programs. Have you considered those? Do you have any of those in the budget at all?

**The Hon. A. MICHAELS:** The current levels of vacancy rates I would say are quite moderate. I know I have spoken to Mayor Robert Briar, for example, and I think there is data showing that businesses in the Norwood Payneham & St Peters local council area have the lowest rate—I am going to misquote that and I will correct it if it is wrong—of business closures anywhere in Australia. He is really proud of that.

We have a lot going for us here in South Australia and we do have a growing business sector. We have gone up from June last year to June this year. In June last year, we had 159,578 businesses; we now have 164,495 businesses. We continue to grow. We had, as I said, the strongest growth rate in the country for restaurants and cafes for the 2023-24 financial year, and the two areas you are talking about are very hospitality heavy, so that is a positive thing.

We have a relatively stable business environment in South Australia. Traditionally, we have had lower entry rates and lower exit rates as well, but we do have high survival rates, and that is something that I think is pretty positive here. The exit rate for 2023-24, for example, in South Australia, was 12.6 per cent, which was the equal lowest of any state, certainly lower than the national rate of 14 per cent. For those areas where there is some increase in vacancies, I suspect they will be filled up pretty quickly. I know a number of landlords in those particular areas and I think they are pretty positive.

**The Hon. V.A. TARZIA:** It sounds like some helpful information from your adviser there; I am happy to hear it.

**The Hon. A. MICHAELS:** We were talking about our energy grants and things, which I am sure you are coming to at some point.

**The Hon. V.A. TARZIA:** You can kick off now, if you want.

**The Hon. A. MICHAELS:** What we did that was very well taken up by the hospitality sector in particular was our round 2 of what is now the Business Growth Fund. They were energy efficiency grants, originally announced at \$20 million. They got taken up really positively. We have had over a thousand businesses that have been approved to get those grants. They were grants from \$2,500 up to \$50,000 dollar-for-dollar matching.

There were a lot of hospitality venues. For example, there was one that I went to visit down at Henley, Secrets by the Sea. They already had solar panels, but they used the grant to install a battery that was saving them, in one year, I think as much as what their dollar investment was. The benefit of these energy efficiency grants is the year-on-year savings, which is fantastic. We have saved businesses—someone will give me a figure per annum and I will get you that figure in a minute.

In this year's budget we have extended that with another round of energy efficiency grants. They are now going up to \$75,000, so capturing more medium-sized businesses as well. Those guidelines are now being finalised by Treasury, with the Department of State Development, and we are hoping to get those rolling out for businesses come July. The first round of energy efficiency grants that we did with our investments is saving businesses \$24.24 million a year each and every year. That is a pretty incredible cost-saving measure that we have been able to work with businesses on to get that program up and running and really address their issues. So, there is a lot being done to be able to address some of those confidence issues and help them with the cost of doing business.

**The Hon. V.A. TARZIA:** How many business closures have there been the last financial year?

**The Hon. A. MICHAELS:** I have data for 2023-24, the last lot of data I have, where we had entries in South Australia of 24,937 and exits of 20,080. We have entry rates of 15.6 per cent, which improved from 14.5 per cent in the 2022-23 year, exit rates relatively stable at 12.6 per cent for 2023-24. It was 12.5 per cent for the year before, with survival rates again relatively stable at 66.5 per cent. It was 67.1 per cent the year before, after four years. It is a pretty stable business environment in South Australia.

**The Hon. V.A. TARZIA:** I know you have this Women in Business program, which I think seems to be a very good thing, page 89. What do you do for targeted programs for young people, young entrepreneurs?

**The Hon. A. MICHAELS:** The Women in Business program in particular is open to any age bracket and we do have young and old entrepreneurs getting involved in that. It has been an incredibly successful program. It was an election commitment and, since we started it in I think it was November 2022, we have had 3,592 participants.

We have various parts of the program. There is a foundations program, which has been really popular. I think we have had 1,139 participants in that up to 31 March 2025. The first round of that program initially started with four hours of business mentoring, but we heard very loud and clear that the mentoring was really appreciated, so we have been able to extend that to six hours of mentoring, plus all the workshops and networking events that go with that.

We have the advisory program, which is really for higher growth boost businesses, and that has also been really popular. We have the Connecting Women in Business program available for all ages, and we know that has been incredibly popular, with 1,800 participants in that. When I go to these events I see women entrepreneurs, young and old, attending.

A particular program is being run by the Business Chamber, the SAYES program, which is being funded out of the Deputy Premier's portfolio but is a young entrepreneurs program in particular as well. Again, lots of support for our young entrepreneurs and something I am really keen to see us progress as a state is to be the place of entrepreneurship.

**The Hon. V.A. TARZIA:** Sir, I ask about a matter dear to your heart and mine: Whyalla, if I may. I refer to Budget Paper 4, Volume 4, page 90. The Whyalla business support is noted as impacting Activity indicators. How many Whyalla businesses has the minister assisted as part of the Whyalla Small Local Business Support Grant program?

**The Hon. A. MICHAELS:** That grant program was \$10,000 grants and has had a budget of \$3 million. At the moment we have approved 57 of those applications, and paid out 55 of them. Certainly, for anyone coming through the door we have been able to turn those approvals around pretty quickly and been able to support those Whyalla businesses. I have been on the ground a number of times down there talking to small businesses, making sure our programs are what they need and making sure those grant programs are what they need.

Certainly, a lot of work has been done to support small businesses directly impacted by the GFG insolvency but also broader main street businesses that have been impacted. I am sure the Chair has his own views, but I would say that the most recent times I have been down it has been a lot more positive. I think they are quite relieved with where things are going.

**The Hon. V.A. TARZIA:** So two are unpaid. I imagine that is still being processed. How many of those Whyalla businesses remain operational after? Do you have any data on that?

**The Hon. A. MICHAELS:** I do not think I have any data, other than to say I think there are 635 small businesses operating in Whyalla. I do not have any data about particular insolvency numbers at this stage. The chief executive said these grants are so recent that he would say pretty much all of them would still be operating.

**The Hon. V.A. TARZIA:** I will not be asking about cuttlefish today. Has the grant program concluded—

**The Hon. A. MICHAELS:** I would not know about that.

**The CHAIR:** Somehow I do not think there is a relevant budget line for this.

**The Hon. V.A. TARZIA:** That is right. You are onto it, sir. Has that grant program concluded or will it remain open while the future of the steelworks remains in the state that it is in at the moment?

**The Hon. A. MICHAELS:** We have extended that. I think it was due to close at the end of May, and we have extended that to 30 June. The team from the Office for Small and Family Business went out there, probably a month ago, and literally walked the streets promoting the program and promoting the fact that these grants are available to small businesses in Whyalla. I appreciate their work in this space as well.

**The Hon. V.A. TARZIA:** What information on the status of the steelworks is the minister privy to that, I suppose, gives confidence that the 2025-26 budget is sufficient to deliver the small business support that the businesses need, given the current state of play?

**The Hon. A. MICHAELS:** I do not think I can answer that question with any specificity.

**The Hon. V.A. TARZIA:** I will go to Budget Paper 4, Volume 4, page 89. Coming back to the objectives of the office in terms of small and family business, the objective is to support small and family businesses in the state to grow, innovate and take advantage of new market opportunities. Does the minister have the great pleasure of meeting with the Premier's Delivery Unit around the state's housing outcomes, given the prevalence of many small and family businesses in the construction industry?

**The Hon. A. MICHAELS:** Have I met with the Premier's Delivery Unit about housing policy? No, I have not.

**The Hon. V.A. TARZIA:** Does the minister or the office have to provide KPIs to the PDU in respect of her portfolio?

**The Hon. A. MICHAELS:** On our election commitments, they have, and they have all been delivered in the small business portfolio.

**The Hon. V.A. TARZIA:** So any KPIs that were given have all been delivered?

**The Hon. A. MICHAELS:** Absolutely, yes.

**The Hon. V.A. TARZIA:** Was the minister or the office provided with any directions from the PDU, apart from 'deliver our election promises'?

**The Hon. A. MICHAELS:** Not specifically.

**The Hon. V.A. TARZIA:** Not specifically, okay. I will move to Budget Paper 4, Volume 4, page 89, the Agency Statements, which highlights that the government implemented a Small Business Strategy 2023-2030 through delivering programs, resources and support services in 2024-25. How many programs did that strategy deliver last year?

**The Hon. A. MICHAELS:** Our strategy, when we released it at about this time in 2023, was off the back of some pretty intensive consultation with the small business sector. What you see in that strategy and what we have committed to rolling out is really what small businesses want from us and what they told us they wanted. There was originally \$14 million attached to it, but very pleasingly I am able to say that there is now \$22 million attached to that strategy. That includes the expansion that is in this budget for the Small Business Strategy, another \$3.2 million, which is very pleasing.

In terms of the actual programs, what we did with the strategy was break it up into six key themes. The first one was around strengthening business capability. I guess, with my former hat on, often seeing small businesses where the business owner did not necessarily have the business skills to run the business was a challenge. That was something we not only heard but I know from my experience; if we can shift that dial, that is what we are focused on. For that, we have rolled out the Small Business Fundamentals program.

We have the annual Small Business Week, and this year's Small Business Week is coming from 22 to 26 September. We have dedicated Small Business Support Officers in the Office of Small and Family Business, and I would describe it as almost a concierge service. If there are questions about any of our programs or if they are having difficulties working out where to go in government,

the Small Business Support Officers are there. They are broken up, and there are dedicated Small Business Support Officers for regions throughout South Australia, so they get to know their particular businesses as well. We have also been supporting our regional chambers of commerce under that business capability theme.

We also have a mental health and wellbeing program. We know that when we were doing the consultation, from memory it was something like 67 per cent of small business owners said their mental health had been impacted by running their businesses. Mental health is really important, and we are running programs, including one, for example, with MBA, which has done a really great job with their RISE program.

We have a digital capability program as well, a sustainability support program, which is being run by 2XE, a South Australian business. That has worked in really well with the energy grants as well, making sure that businesses are able to be more sustainable. To some extent we know that from an environmental perspective that is important, particularly if you want to go into markets like Europe, but I often talk about it as a cost-saving measure and I think that gets businesses more interested.

We have particular information and resources for the CALD community, so our resources are available in languages other than English. In the last theme we talked about improving access to government services, and we certainly now have a much stronger small business lens on our government decisions. We are working on the procurement piece as well, making sure our small businesses, our local businesses, are winning more government work. Most of that work has been done by the Industry Advocate who reports to the Treasurer, and they do excellent meet-the-buyer events—I think there is one coming up in July—and some other workshops to help small businesses.

There is certainly a lot happening, and a lot of our programs have been very popular. I think we are up to just over 11,000 businesses that have engaged in our programs in a pretty short amount of time, so it is good to see those programs being taken up.

**The Hon. V.A. TARZIA:** Moving on to Budget Paper 5, Budget Measures Statement, page 8. We mentioned this before, that the government has announced the Business Growth Fund, and Energy Efficiency Grants round 2 is a key initiative. You spoke about some of the businesses that have used this. I am just curious: do you have any data on what was the total amount by which businesses were actually able to reduce their energy bills following the grant? Have you got any data on that at all?

**The Hon. A. MICHAELS:** We have had 1,032 grants, which is estimated to provide an energy cost saving across all of those of \$24.24 million per annum. It is an energy saving of some 58,872 megawatts. The applicants themselves, during the application process, go through a calculator, essentially, that determines what their savings would be. Under that investment from the state government we are saving \$24.24 million each and every year for small businesses through that program.

That was round 2 of what is now called the Business Growth Fund. Of course, we have the new one that will start in July. That will have grants of up to \$75,000. The previous one was up to \$50,000, so I suspect we might see greater energy savings, and that is a very good thing for our businesses in South Australia.

**The Hon. V.A. TARZIA:** Budget Paper 4, Volume 4, page 90, workforce summary, shows FTE staffing for small and family business dropping from 21.4 FTEs to 16.1 FTEs by June 2025. Why has there been what looks to be a significant cut of FTEs? What has been cut there and why?

**The Hon. A. MICHAELS:** That is because of the people in the grant administration team for the Whyalla support package and some of the energy grants—Whyalla has 3.6 FTEs coming out, and the energy efficiency grants team has two FTEs coming out. That is the basis of the 5.3 reduction.

**The Hon. V.A. TARZIA:** So they have been moved from your department into Whyalla; is that what you are saying?

**The Hon. A. MICHAELS:** Those people were seconded in while those grant programs are running. We just talked about the Whyalla one that closes on 30 June, so the funding for those grant assessors is winding down. Obviously, we will have grant people coming in now for the next round, so we might end up with the same result at the end of the day next financial year.

**The Hon. V.A. TARZIA:** I refer to Budget Paper 4, Volume 4, page 90, in terms of number of businesses provided with solutions to support their growth and competitiveness. The 2024-25 target was 6,400, but the estimated result was 8,480 businesses assisted. What counts as a solution in that context? What drove the much-higher-than-target reach, other than that people obviously need assistance?

**The Hon. A. MICHAELS:** You are looking at the number of businesses provided with solutions—that target?

**The Hon. V.A. TARZIA:** Yes.

**The Hon. A. MICHAELS:** They are the engagements with our business support officers within the Office for Small and Family Business. It also counts people who have attended our round tables and our programs. It also includes in that number small and family businesses that have received a grant from the Office for Small and Family Business. The big jump over the target for the estimated result is largely around Whyalla and the energy efficiency grants, and the Business Creditor Assistance Scheme for Whyalla is included in those numbers as well. That is why you will see the increase from the target to get an estimated result of 8,480.

**The Hon. V.A. TARZIA:** I refer to Agency Statement, Budget Paper 4, Volume 1, page 59, statement of cash outflows, Office of the Small Business Commissioner. The estimated result for 2024-25 was \$2.277 million. I am just curious: how many disputes, inquiries did the office receive in 2024-25 in relation to roadworks disruption?

**The Hon. A. MICHAELS:** Roadworks disruption?

**The Hon. V.A. TARZIA:** Yes.

**The Hon. A. MICHAELS:** More broadly, not a particular—I will just check. We will take that on notice. I am not sure if we will be able to identify, but if we can, we will let you know.

**The Hon. V.A. TARZIA:** Thank you. Also, if you may, how does that volume of disputes or inquiries received compare going back, say, two or three years—whatever you have on file?

**The Hon. A. MICHAELS:** I will check what we can provide and provide that to you.

**The Hon. V.A. TARZIA:** I refer to Budget Paper 4, Volume 4, page 90, under activity indicators. Budget Paper 4 shows 110,000 as the 2025-26 projection for number of businesses provided with base level information resources, up from 90,995 reached in 2024-25. My question is: what types of base level information resources are being counted there?

**The Hon. A. MICHAELS:** That includes people going to the [business.sa.gov.au](https://business.sa.gov.au) website for information. It includes searches of the Australian Business Licence and Information Service (ABLIS) to get information on business licensing regulations, council approvals and compliance in South Australia. So it is, as it is described, that base-level information—people getting information on various grants and things like that. I guess what we have seen is that, over the last few years, there has certainly been more and more engagement with the Office for Small and Family Business. As more businesses get to know about the services that we provide, they are becoming much more engaged, so we are certainly pleased with those numbers and the increases.

**The Hon. V.A. TARZIA:** Why were fewer businesses reached in 2024-25 than 2023-24, given increased FTE supplies and services and also employee expenses?

**The Hon. A. MICHAELS:** That was the River Murray flood data that was coming in in 2023-24 that is no longer there.

**The Hon. V.A. TARZIA:** So you would not say that the department has become less productive. You would attribute a lot of that resource to the floods?

**The Hon. A. MICHAELS:** Certainly, to the floods in 2023-24.

**The Hon. V.A. TARZIA:** What action is undertaken to ensure critical information is actually reaching the businesses that it needs to and is there any assurance that it is not just, say, 110,000 businesses that small and family business plans to just collect emails? What are the performance metrics that are in place to ensure quality and utility of support as opposed to a volume metric?

**The Hon. A. MICHAELS:** I do not know if you have had a chance to look at, in particular, the website—

**The Hon. V.A. TARZIA:** I have.

**The Hon. A. MICHAELS:** There is some very good, user-friendly information. I think I was fairly adamant early on that we made the language business-friendly and some of the information that is on there I think is very useful. We have Small Business Week coming up, as I said. Some of our programs will be, for example, webinars and podcasts and they will be on that website, so we are certainly making sure we have very good information available to our small businesses through that and through our business support officers, either in person or by phone. As I said, the increase that we are seeing I think is that people are making use of that information and appreciating it.

**The Hon. V.A. TARZIA:** I refer to Budget Paper 4, Volume 4, page 90, under Activity indicators, 'No. of businesses provided with base level information resources'. Is the minister able to provide any data on client satisfaction or service quality regarding the office's programs? For example, does the office survey participating businesses in programs like you mentioned, the Women in Business Program, or recipients of grants to gauge their satisfaction and usefulness of the support?

**The Hon. A. MICHAELS:** We do. In particular, for the website we track how long people are staying on the website. That gives an indication of how useful they are finding that information. We keep a track of that. We get particular feedback from all of our program providers in terms of numbers going through and what the benefits are.

I can tell you about the Women in Business Program that you touched on. We have, for example, for the Behind Closed Doors advisory program. More than half have reported measurable revenue growth. We track that data. We get specific feedback. I can give you some, for example, from Connecting Women in Business. We had Anna Dillon, Star Lane Chauffeurs, describe the Women in the West Connecting Business event as empowering. She described the energy at the event as uplifting. Sue Bromley, NeuroChangeSolutions, reported a rise in her confidence, a rise in her visibility through LinkedIn and that she successfully secured some council funding.

Daniela Carbone, Rejuv-Innate mentoring, said business tools that she had access to were invaluable to her as a Muslim woman with her advice to, 'Stay learning, apply what you gain consistently and keep going. You have got this.' That was her feedback from the Adelaide Business Hub program. We continue to get that feedback. There are case studies of people who have gone through our programs. I think we have short clips on the website as well, if the member is interested in having a look at those to get feedback.

**The Hon. V.A. TARZIA:** I probably have time for one more. I refer to Budget Paper 5, Budget Measures Statement, page 8, just coming back to some of those grants in terms of Powering Business Grants. Is the minister able to provide details on the outcomes of that round; for example, average grant size, examples of upgrades funded, and any data on how those businesses actually did reduce their energy costs?

**The Hon. A. MICHAELS:** I can. In our regular meetings I have a chat I go through, and I feel like we might not have it right now. We might be able to take that on notice and provide that to you.

**The CHAIR:** Thank you, minister. The allotted time having expired, I declare the examination of the Small Business Commissioner and the Office for Small and Family Business complete. The examination of proposed payments and Administered Items for the Attorney-General's Department are adjourned until later today. The proposed payments and Administered Items for the Department of State Development are now referred to Estimates Committee A.

**Membership:**

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

Mr Teague substituted for Mr Pederick.

**Departmental Advisers:**

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

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

Mr B. Humphrey, Commissioner, Consumer and Business Services.

Mr D. Corcoran, Director, Financial Services, Attorney-General's Department.

Ms F. Gowen, Director, Business Services and Transformation, Consumer and Business Services.

Mr J. Lambert, Director, Reform and Specialty Compliance, Consumer and Business Services.

Ms M. O'Sullivan, Assistant Director, Regulatory Services, Consumer and Business Services.

Mr M. Dengler, Principal Policy Officer, Regulatory Services, Consumer and Business Services.

Mr J. Lai, Principal Adviser, Budgeting, Attorney-General's Department.

**The CHAIR:** For the portfolio of Consumer and Business Services, the minister appearing is the Minister for Consumer and Business Affairs. I advise that the proposed payments remain open for examination. I call on the minister to make a statement, if she so wishes, and to introduce her advisers.

**The Hon. A. MICHAELS:** I will make some introductions to start with. I welcome Mr Brett Humphrey, our Commissioner for Consumer and Business Services, to his first estimates. I have on my left the Chief Executive of AGD, Ms Caroline Meador; and Mr Andrew Swanson, the Chief Financial Officer of AGD. Behind me, from CBS we have Mr Jonathan Lambert, Ms Melanie O'Sullivan, Ms Fiona Gowen and Mr Matthias Dengler, and from AGD we have Mr Darren Corcoran.

Again, I will not make an opening statement, other than to thank AGD and CBS for the enormous amount of work that has gone into preparing for the estimates and for the enormous amount of work in supporting our businesses and consumers. In the last 12 months they have done a sterling job.

**Mr BATTY:** I might kick off with a few questions on illicit tobacco. I refer to Budget Paper 4, Volume 1, page 45. How many illegal tobacco stores are operating in South Australia?

**The Hon. A. MICHAELS:** I am not able to provide that figure. Obviously, they are illegal. It is not like there is a registration system for illegal tobacco stores, so I am not able to answer that. I think it may have come from SAPOL—earlier on, when we took over, I think there was a mention of some 200. That came from SAPOL, but again that is a guess. Obviously, without some kind of system where they are telling us where they are operating and who they are, we cannot provide that information.

**Mr BATTY:** So SAPOL estimate that there are 200, or over 200, illegal tobacco stores but CBS does not have an estimate themselves?

**The Hon. A. MICHAELS:** We are working on that estimate.

**Mr BATTY:** So you are working off the SAPOL 200 estimate?



**The Hon. A. MICHAELS:** We are working on that estimate, but I cannot confirm if that is an accurate estimate. We do not have the data behind that.

**Mr BATTY:** Is there any way of projecting how many stores there might be?

**The Hon. A. MICHAELS:** I really do not think there is a way of working that out. We obviously keep a track of what is reported through to us. The public has been very good at reporting illicit tobacco and vape stores through to CBS and to Crime Stoppers. We keep all that intel so we have those reports coming through, but beyond that we cannot provide anything more accurate.

**Mr BATTY:** How is it that the police can arrive at a figure of 200, but CBS cannot undertake that task?

**The Hon. A. MICHAELS:** I am not sure on what basis SAPOL work that out. You might want to ask the police minister that.

**Mr BATTY:** Page 47 has some of the activity indicators, and we saw 500 premises inspected for compliance. Of those 500 inspections, how many were found not to be in compliance?

**The Hon. A. MICHAELS:** I will take that on notice and come back to you if we are able to provide that information. Some of those inspections were at the same store over and over. We have seen in some cases breaches with stores opening up after a 72-hour closure notice. We did some in the CBD last week where they now have 28-day closures imposed on them. They previously had the 72-hour ones and reopened. So it is not necessarily 520 individual stores that are all shop premises that have been looked at. We will get what we can and provide that to you.

**Mr BATTY:** Do you have a rough idea of what the compliance is like? Is it that most are complying, or more than half are not, or nearly all 500 are not?

**The Hon. A. MICHAELS:** I would say more of our inspections are for unlicensed premises, so we are sending more people out to look at unlicensed premises. Therefore, I would say a large proportion of those would not be complying, and that is just where we are dedicating resources to.

**Mr BATTY:** Sure. What happens following that inspection when a store is found not to be compliant? What action do you take?

**The Hon. A. MICHAELS:** It depends on what is found, of course. It can be anything from an expiation. We now have available to us, I think as of last week, 72-hour closure notices. At 28 days, I can go to the court to get long-term closure orders. That was up to six months until the new legislation came in. It is now up to 12 months with an order from the Magistrates Court. We have had a couple of those go through the courts. There is a prosecution on foot at the moment. All of those levers are available to the commissioner and to me.

**Mr BATTY:** How many long-term closure orders have you applied for?

**The Hon. A. MICHAELS:** Two.

**Mr BATTY:** Why have you only applied for two long-term closure orders?

**The Hon. A. MICHAELS:** Those provisions only came into effect I think very late last year. It might have been December.

**Mr BATTY:** Was that the extra 12 months as opposed to six months or the long term?

**The Hon. A. MICHAELS:** No, that was when we started in six months.

**Mr BATTY:** So in the last six months, you have only applied for two long-term closure orders?

**The Hon. A. MICHAELS:** That is correct.

**Mr BATTY:** How many short-term closure orders have you applied for or made?

**The Hon. A. MICHAELS:** I have a figure for up until 31 May, which was 36, and I have done several since then, so we are probably at or about 40 at the moment.

**Mr BATTY:** If you are doing 500 inspections, and the majority are not compliant, and you are estimating there are 200 illegal shops operating, why have you only acted with respect to 40 of them?

**The Hon. A. MICHAELS:** As I said, some of those inspections are inspections of the same store. The ones we did in Rundle Street, for example, that we went to last week, they obviously were inspected, found not to be compliant. They would have got expiation and 72-hour closure notices. We went back to them. They were still open. They have a 28-day closure order now, and I think we might be applying for long-term closure, potentially on one of them.

**Mr HUMPHREY:** Yes, on at least one. The closure order also only came into effect in December last year, so we had five months of inspections without having that closure order put in place.

**Mr BATTY:** Do you think you need to be doing more inspections?

**The Hon. A. MICHAELS:** With that \$16 million that was in last year's budget we stood up a team very quickly in Consumer and Business Services. It was a whole new team and some pretty prompt recruitment was done. It takes time to build up a team and put processes in place, so I think they have done an extraordinary job.

We have taken about \$34 million worth of product off the streets. We work really closely with SAPOL, and they have made 30 arrests. Between SAPOL and Consumer and Business Services we obviously have to work with the federal government. One of the issues that we do not have levers over, but Border Force do, is getting the product into Australia, so all of that needs to happen. We realise it is a significant issue. We know organised crime is a big part of that. I think someone from Border Force early on estimated about 75 per cent of the market is controlled by organised crime. It is a challenge and we are certainly doing all that we can.

What we are doing, compared to other states, is that we recently had a national scorecard from a national body and we were given an A+. We were leading the nation in what we were doing here for tobacco and vapes. I had a completely separate arts ministers' meeting a couple of weeks ago and the one thing that people wanted to talk to me about—even though it was an arts ministers' meeting—was about our work in tobacco and vapes.

I think the team has done an extraordinary job in what they have done in the past almost 12 months since they took it on. I think we have demonstrated that, as a government, we are happy to demonstrate, through changes in law, how seriously we are taking this and what we are willing to do to tackle this problem in South Australia. The rest of the states in the rest of the country have their eyes on us and they are following suit.

**Mr BATTY:** I think the changes in law are one thing, but then you have to use the power as well. Do you think that applying for only two long-term closure orders is an A+ effort?

**The Hon. A. MICHAELS:** That was independently assessed and that was what we were given—an A+, yes.

**Mr BATTY:** Do you agree with that assessment?

**The Hon. A. MICHAELS:** Yes, I think the team is doing an extraordinary job in very difficult circumstances.

**Mr BATTY:** Do you think making only 40 short-term closure orders in the context of 500 inspections and over 200 illegal tobacco shops is an A+ effort?

**The Hon. A. MICHAELS:** In the context of only having those powers in the past six months, yes.

**Mr BATTY:** Why are you planning on only making the same number of inspections in the coming year?

**The Hon. A. MICHAELS:** That is what the team has estimated with the resources they have, and what time it takes. It is very much through space. We get the intel coming from the public, intel is shared between SAPOL and CBS, and that is what we expect in terms of the inspections coming

forward off the back of what we have seen in the past 12 months. That seems a reasonable amount and I am happy with the commissioner's estimate of that.

**Mr BATTY:** It is the same as the past 12 months, where you described it as sort of just getting off the ground. You mentioned resourcing, is there a resourcing problem?

**The Hon. A. MICHAELS:** No, there is a team of some 20 staff in the new tobacco task force within CBS, so those resources are there. I suspect what we will see are more resources put into pursuing prosecutions and it takes time to prepare those briefs, so I am happy with the commissioner's estimates for the next 12 months. Again, we are certainly throwing everything we have at this problem. We do not underestimate it but we are certainly making inroads.

**Mr BATTY:** Do you have an estimate of how many short-term closure orders you will make over the next 12 months?

**The Hon. A. MICHAELS:** No, we do not have one that was provided.

**Mr BATTY:** Why not?

**The Hon. A. MICHAELS:** Again, it would depend on what the commissioner and his team find when they are going out and doing these inspections. We might find a whole lot of new compliance when they realise they are facing penalties of up to \$6½ million.

**Mr BATTY:** Maybe. Do you have an estimate on how many long-term closure orders you will make over the next 12 months?

**The Hon. A. MICHAELS:** The same answer for that one: we do not have an estimate that has been provided.

**Mr BATTY:** How many CBS compliance officers do you currently have working on illegal tobacco?

**The Hon. A. MICHAELS:** We have 20 FTEs at the moment in the tobacco and vaping team, from directors, compliance officers, operations officers—there is a whole range of people in that team who, again, are doing some excellent work in very difficult circumstances.

**Mr BATTY:** Are there any vacancies on that team?

**The Hon. A. MICHAELS:** Two vacancies.

**Mr BATTY:** How many times has the maximum penalty been applied to people found not to be in compliance?

**The Hon. A. MICHAELS:** A maximum penalty would be imposed by the courts. As I said, there is one prosecution before the courts at the moment and more to come.

**Mr BATTY:** So no prosecution has concluded yet?

**The Hon. A. MICHAELS:** No, that obviously is a court process that will take some time.

**Mr BATTY:** Of the 40-odd short-term closures that you made, how many have reopened?

**The Hon. A. MICHAELS:** We will have to take that on notice.

**Mr BATTY:** Do you not think that is something we should be tracking carefully? If there are 40 that we know have been operating illegal tobacco shops, and it has reached a threshold where you have shut them down for 72 hours, do we not go and check to see if they have set up shop again a few days later?

**The Hon. A. MICHAELS:** We do go and check again and that has been done. As I said, there is one I was standing at the front of in Rundle Street last week. But in terms of providing that information to you right now, I will have to take it on notice.

**Mr BATTY:** How many complaints or reports about illegal tobacco have been received by CBS over the last year?

**The Hon. A. MICHAELS:** We will need to take that on notice as well.

**Mr BATTY:** How many of the compliance inspections involved children in sting operations?

**The Hon. A. MICHAELS:** None.

**Mr BATTY:** Has the minister taken any action with respect to the tobacco store in Stonyfell in my electorate?

**The Hon. A. MICHAELS:** I might get the commissioner to answer that one.

**Mr HUMPHREY:** I am aware of that store. That is one of numerous stores on our radar. I am aware we have attended that store and it is still being assessed and is on our list.

**Mr BATTY:** When you say it is still being assessed, what does that mean?

**Mr HUMPHREY:** The battle of the illicit tobacco store is a large one and there are many different ways that we can tackle it. We have an assessments team that gathers the information and we work with SAPOL to determine what is appropriate action for the store, depending on the information that we have and can gather. That can lead to everything from working with SAPOL on more serious organised crime convictions down to us attending the store and doing a search and maybe issuing an expiation notice to the shopkeeper as one of the many tools in the tool kit, and a closure order. So the shops get assessed, they get categorised and then the team work on them based on where we think it should go with the evidence we have at the time.

**Mr BATTY:** Is that shop selling illicit tobacco?

**Mr HUMPHREY:** I am not aware of—

**The Hon. A. MICHAELS:** We are not able to talk about specifics when it is part of an investigation.

**Mr BATTY:** This is a store I have been corresponding with you about for over a year now, raising concerns about it, particularly given it is right next door to a school. We have talked about some of the specifics just now. When will the assessment be complete and an action be taken?

**Mr HUMPHREY:** The assessments are ongoing. Obviously, information is being received every day, so an assessment that is made and finalised may change with information we get from members of the public through our online reporting, our officers out in the field viewing stores and seeing what is happening, and also information from SAPOL. So, as a general rule, it is a moving feast and is ongoing. All the stores are prioritised and the team is working really hard to go out and visit as many stores as they can and take the appropriate action.

**Mr BATTY:** How do you prioritise that task, particularly in circumstances where you say you have enough resources dedicated to it? If we have a store where numerous complaints have been made that is operating right next door to a school, what further evidence needs to be gathered before it is shut down?

**Mr HUMPHREY:** Without talking about specific stores, the illicit tobacco and vaping task force is out nearly every day raiding stores and applying for closure orders, as we have done numerous of in the last two weeks under the 28-day closure and, as I said, supporting SAPOL with those organised crime investigations.

**The Hon. A. MICHAELS:** It is definitely the best approach working with SAPOL, I would say; working very closely with SAPOL on the Project Eclipse team in SAPOL to determine which stores are a priority. There are multiple complaints come through on particular stores right across the state, and CBS and SAPOL are working really closely to make sure we are targeting the highest risk.

**Mr TEAGUE:** I might just chime in there, with reference to Budget Paper 5 at page 14, the measures for additional resources. We there read that there is provision over the forward estimates for 2025-26 of just short of \$2 million and then \$2.3 million the following year, with 16 full-time equivalent employees.

The note to the table refers to that funding growing volumes of work in what I read to be three categories: first, compliance/enforcement; second, births, death and marriages; and third, regulatory activities. I have in mind compliance/enforcement perhaps, and regulatory activities that apply to the

work the member for Bragg has just been asking about and the anticipated volume of increase of that work?

**The Hon. A. MICHAELS:** I am very pleased that we were able to get this additional resourcing for CBS—it is almost \$10 million over the forward estimates, as you can see in that budget line. We have seen increasing workloads in various parts of CBS, so that breakdown in terms of FTEs that you see of 16 is such that 12 will go to the compliance and enforcement area, of which the tobacco task force forms part. They will be able to share in those resources.

We have two FTEs going into Births, Deaths and Marriages. We have certainly seen an increasing volume and increasing complexity in the work that is being done by the Births, Deaths and Marriages team, and two people in regulatory services as well. I am sure that support will be much appreciated.

In terms of compliance and enforcement, as I said, it does capture the tobacco team but it also, hopefully, will allow us to increase the number of casino and gambling inspectors and investigators, which is important for tobacco but also some of our building and other priority areas. What we have seen with the volume is that there would be benefit in having resources allocated to the assessments and registration team, where people come through the front door to make sure we are assessing those as quickly as possible and pointing them in the right direction in terms of investigations.

Product Safety is another area that will benefit from increasing resources out of that budget bid. Although CBS do an extraordinary amount of work, I think they would certainly benefit from that additional resource coming in.

**Mr TEAGUE:** Bearing in mind the benefit then of that breakdown, if 12 of those FTEs are to be applied towards compliance and enforcement and that that is largely on this vapes work that has been going on, how is that to be broken down? Do we anticipate a steep rise in the number of closures, orders, prosecutions, those sorts of things that we have seen in only small numbers so far?

**The Hon. A. MICHAELS:** We do have funding for 22 people—we have 20 in there at the moment. I do not think the commissioner has allocated between different areas where that resource is going, but we will start doing that work to make sure it is ready for 1 July when the additional money comes in.

**Mr TEAGUE:** In terms of that 12 again on that compliance enforcement work, how much, if any, of that is about employing people responsible for warehousing of seized products and how is that then to be managed over that period of time?

**The Hon. A. MICHAELS:** There will be very little impact, I am advised, on staffing for storage.

**Mr TEAGUE:** Alright then. Continuing to bear in mind that breakdown, I am curious as to the next line in the narrative, which indicates that the funding for the initiative over those four years—just short of \$2 million, rising to nearly \$2.5 million—will be cost-recovered from 2027-28. Bearing in mind that there are only two additional FTEs for Births, Deaths and Marriages, is it to be read as that each one will derive a proportion of the cost recovery, or is the bulk of the cost recovery to come from the 12 who are going to be in the compliance and enforcement space? Do we break down that cost recovery according to the same divvying up of the FTE proportions?

**The Hon. A. MICHAELS:** We have not made those decisions yet. CBS will consider what options are available to them to offset those additional costs. That will not start until 1 July 2027, but I think you will see from the income section for Consumer and Business Services that there has been increasing income due to the volume of work. For example, we have gone up \$2.3 million from 2023-24 through to the 2024-25 year. We are expecting another \$1.5 million of income into the 2025-26 year, so to some extent that cost recovery is through what is happening already, but as we get closer to July 2027 CBS and the department will be making those decisions and making recommendations to us.

**Mr TEAGUE:** Is it correct then to read it as really an accounting exercise that is going to be applied in the broad? How do we read it then? There is no cost recovery for this year or next year.

Is that just providing extra headroom for CBS and then there is a sort of operating efficiency that is built into the cost-recovery accounting for the next two years?

**The Hon. A. MICHAELS:** I think your initial statement was right, that there is a broad-based approach to work out what the best way is to make those numbers work. I am certainly working with Mr Swanson and Ms Meador and the commissioner as we get closer to that timeframe.

**Mr TEAGUE:** I am sure you are in good hands in that respect, minister, but just so we are clear then: it is not possible, therefore, is it to read the measure as somehow leading towards some novel means of applying cost-recovery that we do not know about yet? It is just an accounting measure? What is the difference between it being a two-year initiative and a four-year initiative with cost recovery in years 3 and 4? I do not know the answer to that question.

**The Hon. A. MICHAELS:** As I said, those decisions have not been made as to what will happen in 2027 onwards for those cost-recovery years. That work will be done. I do not think you can read into it that two FTEs in Births, Deaths and Marriages mean there is a proportionate increase in Births, Deaths and Marriages fees. We certainly have not made those decisions. I think we will take a broad approach as to what the best way is to allocate that.

**Mr TEAGUE:** In all seriousness, is it just pointing—

**The Hon. A. MICHAELS:** I am serious.

**Mr TEAGUE:** Is it just pointing to a growth in CBS, in that there is a measure for additional FTE? It is not cost-recovered for two years, and then it is cost-recovered after that, so there is a growth in the whole scene and that is what that is kind of depicting. It otherwise might be described as a budget measure for additional resources for a couple of years.

**The Hon. A. MICHAELS:** We have seen a growth in the activity levels within CBS. You can see that in the income line. You can see that through the work the CBS has done, taking on more responsibilities—tobacco and vaping, for example. As I said, unfortunately I cannot specifically answer your question as to what will happen in July 2027, but that work will be done. I am quite pleased that there has been no cost recovery for the next two years and we will certainly step some decisions along the way as to what happens in the 2027 financial year.

**Mr TEAGUE:** But nothing earmarked for the time being, and nothing to be drawn from the proportions of the FTEs?

**The Hon. A. MICHAELS:** Nothing earmarked, that is correct.

**Mr TEAGUE:** Back to Budget Paper 4, Volume 1, the main one, page 45, and the first line of the first dot point on CBS aims regarding the ensuring of compliance, including in relation to gambling at the Casino. The Hon. Brian Martin, AO KC, has undertaken an investigation into the SkyCity Entertainment Group. Is it correct that the review is now complete and with government?

**The Hon. A. MICHAELS:** That is correct. The commissioner received the report, I think, on 20 May. It is quite detailed, quite complex, and the commissioner is working through that with the assistance of Crown to determine what the next steps are.

**Mr TEAGUE:** Can the minister give the committee some indication of the nature of the report's outcomes or recommendations?

**The Hon. A. MICHAELS:** Unfortunately, I am prevented from doing that.

**Mr TEAGUE:** Is there anything that sounds in terms of the budget, in terms of response to it? Is there any budget provision? In terms of responding to the report, is there anything provided for in terms of the CBS budget?

**The Hon. A. MICHAELS:** No, there is not.

**Mr TEAGUE:** Is there to be a release of the report, and is there any other future action that can be anticipated at this stage that might sound in some draw on the budget for CBS?

**The Hon. A. MICHAELS:** At this stage, as I said, the commissioner is considering his response to the Hon. Brian Martin's report. That will include any decision around disciplinary issues,

any conditions on the licence, any other statutory decision-making. That is being done very closely with Crown advice. On that basis I am not able to share any further on what is included in Mr Martin's report or what the commissioner's decision-making might be from here on in.

**Mr TEAGUE:** While we are there, on the same page a bit further down, in highlights, the third dot point, the third of those highlights for 2024-25 is 'Continued to implement residential tenancies reforms'. What money has been spent in that implementation, and what money is in the budget for the continuation of that implementation?

**The Hon. A. MICHAELS:** We had additional funding allocated in the 2023-24 Mid-Year Budget. It was \$2 million per annum, and that provided up to 23 FTEs initially with 12 FTEs ongoing. The work to roll out those measures certainly took a lot of resources, and the team did an excellent job rolling that out and communicating with stakeholders through that 2024-25 year.

**Mr TEAGUE:** What about the year ahead?

**The Hon. A. MICHAELS:** Those 12 FTEs are continuing in the years ahead.

**Mr TEAGUE:** What is the nature of that work now for the year ahead?

**The Hon. A. MICHAELS:** It is certainly around assisting both renters and landlords in compliance issues around, for example, rent bidding. There have been a number of complaints around advertising properties within a range, whereas our reform requires a price to be fixed. It is those sorts of measures, including dealing with bonds, for example. We have had an internal review now being undertaken on any changes that might be required in the regulations.

We will have to remake the Residential Tenancies Regulations by 1 September 2025, so we are considering any issues that have been brought to us by various stakeholders that might come about through that. That work is happening at the moment. Again, it is really compliance and enforcement, and educating and supporting both landlords and tenants with what were really significant changes. But I think they have been implemented quite smoothly over the last year or so.

**Mr TEAGUE:** I refer to Budget Paper 4, Volume 1, but back to page 15. I will ask some questions about the first of the existing projects, which is the improved digital systems. Before I do, just because it is immediately above it, there is a new project of Consumer and Business Services fit-out, and it is \$560,000 there. Can the minister explain what that is all about?

**The Hon. A. MICHAELS:** Certainly. That is additional funding to make sure that the new staff at CBS are able to be housed in their new office space. So that is fit-out work for CBS to make sure we have the team there in the environment.

**Mr TEAGUE:** So we see that in the third line, the investing payments line in Budget Paper 5, page 14.

**The Hon. A. MICHAELS:** \$560,000.

**Mr TEAGUE:** Is that \$560,000 for general office fit-out?

**Mr HUMPHREY:** To increase the spaces for the extra staff.

**Mr TEAGUE:** Bearing in mind the breakdown of FTEs the minister has described, there are 12 more in Compliance and Enforcement; two at Birth, Deaths and Marriages; and two in terms of regulatory activities. It is not as though you are just fitting out one new office space. Is there any actual new office area? Is it a matter of fitting people into the existing areas where those folks are working?

**The Hon. A. MICHAELS:** It is all in Chesser House on Grenfell Street. They will be remaining there. It is making sure that accommodation is fit for purpose for the new staff.

**Mr TEAGUE:** So there is no particular item of any significance among that?

**The Hon. A. MICHAELS:** No, unless the commissioner wants to add anything.

**Mr HUMPHREY:** The only thing is that it is about fitting the people into the space we have. There is not ongoing cost of increased rent, no extra floor or extra building required for any extra people. It is about utilising the space we currently have to fit the extra people.

**Mr TEAGUE:** And no \$20,000 desks or anything like that?

**Mr HUMPHREY:** No, I am afraid not.

**Mr TEAGUE:** Moving to the existing projects, the first of them, we see what looks to be completed, according to its estimated completion in June—so now—the improved digital systems. There is no more money allocated for that project. Is that now complete, up and running, not requiring any further resourcing?

**The Hon. A. MICHAELS:** That improved digital systems project relates to the bonds upgrade project that is largely complete. I think there are a couple of issues being worked through at the moment in terms of enhancements of that system, but it is largely complete. At the moment, there is nothing else. Yes, it is largely complete.

**Mr TEAGUE:** The budget allocation for 2024-25 was that it cost a bit more than double that for 2024-25. Can the minister explain the reason for that cost overrun?

**The Hon. A. MICHAELS:** Yes, there was about \$800,000 of operating budget associated with the project that was reclassified into the investing budget during 2024-25. The total cost of the budget, capital and operating, remains unchanged at \$9 million.

**Mr TEAGUE:** For the benefit of the committee and perhaps those who might be taking advantage of those digital systems for consumers and for businesses, how are those services likely to impact on consumers and businesses requiring CBS services?

**The Hon. A. MICHAELS:** With that particular project with bonds I think you can see—I will give you the reference—particular improvements in the time it takes to refund bonds. I refer to Budget Paper 4, Volume 1. With average working days to process bond refunds in 2023-24 we had 14 days and it is now down to 6.1 days, at the top of page 47.

**Mr TEAGUE:** That is the one with the target of five?

**The Hon. A. MICHAELS:** It has certainly dropped from the actual and we are still aiming for a target of five as that system is bedded down, but there are certainly improvements for, in that case, renters and landlords.

**Mr TEAGUE:** So that is one key area. Is there anywhere else that that new system is going to be showing results?

**The Hon. A. MICHAELS:** There was digitisation through Births, Deaths and Marriages as well, and the Our History Now project. This is what the member might know as one of the CBS projects. This is the work that was done for that. We had Our History Now as a project. We are essentially digitising, I think, about three million records. Of these records, about 825 have been identified as critical records, so those dealing with potentially living persons or critical records in assisting the prevention of identity theft. They have been digitised.

There is a digitisation process through Births, Deaths and Marriages in terms of digital SmartForms. Applications to correct the register have now gone digital as of April 2025, so the public can now apply online and upload all the evidence they need to support that application. That is making things easier for people dealing with Births, Deaths and Marriages.

BDM continues to develop their use of digital SmartForms. They can now be used by doctors to certify causes of death and that uptake of the digital process will reduce time taken to cremate bodily remains or register deaths, reduce transcription and typographical errors in the registry, improve efficiency of the whole end-to-end process, and offer new opportunities to share cause of death data in real time. We are hoping that form will be ready for testing and consultation in the later months of 2025. Certainly, those BDM improvements, the bonds improvements and work, will be done on the other systems and prioritising improvements that we can make in some of the other very aged systems within CBS.

**Mr TEAGUE:** I just have some Activity indicators questions from the bottom third of page 47. The number of liquor, gaming, casino and wagering inspections was just over the projection: 2,599. Can the minister indicate some breakdown or particularisation of those inspections? Is there



a number the minister can indicate to the committee about causes for concern, breaches of licence and fines applied for breaches?

**The Hon. A. MICHAELS:** In terms of inspections, I can give you some information about casino versus wagering versus gambling inspections. For casino inspections in 2023-24, there were 366 and up until the end of May this year we are at 335. Wagering inspections were 470 for 2023-24. At the end of May, we were at 357. Gambling inspections for 2023-24 were 571 and we have seen quite a substantial increase up until 31 May this year of 787.

Their operations and inspections at venues are targeting gambling harm risk factors. CBS through 2024-25 has continued to monitor compliance through online work and data analysis and routine and targeted field-based inspections and audits, ensuring that staff in those venues have their training up to date as well. That is particularly important to enable them to identify and respond to gambling harm risks. I think that is the information I am able to provide to you at this point.

**Mr TEAGUE:** I have one more and it might be on notice. It is an Activity indicators question again and I refer to page 47 at the bottom over to 48 at the top.

**The Hon. A. MICHAELS:** I just have one correction that has come from the chief executive. There may be, but we are not sure yet, additional rent that is being worked through for the fit-out, the 560,000 you asked earlier. They are looking at different options around how staff will be accommodated. The commissioner said there might not be additional rent, but we are still working through that and it will be in Chesser House.

**Mr TEAGUE:** Just then to those Activity indicators again, at the bottom of page 47 over to top of 48, Liquor licence applications. The minister might want to take this on notice. There are 6,312 liquor licence applications and 6,474 short-term liquor licence applications. Can the minister provide a breakdown of each of these categories listed in the table and can the minister provide an average time taken for those applications to be processed and completed?

**The CHAIR:** It is okay, you do not have to answer it now.

**The Hon. A. MICHAELS:** We might take it on notice, given the time.

**The CHAIR:** That is a very good idea. I advise that the allotted time having expired, I declare the examination of Consumer and Business Services complete. The examination of the proposed payments and Administered Items for the Attorney-General's Department are adjourned until tomorrow.

*Sitting suspended from 15:46 to 16:00.*

#### **DEPARTMENT OF THE PREMIER AND CABINET, \$508,394,000**

#### **ADMINISTERED ITEMS FOR THE DEPARTMENT OF THE PREMIER AND CABINET, \$27,324,000**

#### **Minister:**

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

#### **Membership:**

Mr Pederick substituted for Mr Teague.

#### **Departmental Advisers:**

Mr W. Hunter, Chief Operating Officer, Department of the Premier and Cabinet.

Ms C. Hodgetts, Director, Finance and Procurement, Department of the Premier and Cabinet.

Mr B. Brine, Director, Governance, Projects and Grants, Department of the Premier and Cabinet.

**The CHAIR:** The portfolio is CreateSA, and the minister appearing is the Minister for Arts. I declare the proposed payments open for examination. I call on the minister to make an opening statement, if she so wishes, and to introduce her new advisers.

**The Hon. A. MICHAELS:** I will make some introductions, Chair. On my left I have Mr Wayne Hunter, Chief Operating Officer, DPC; and Mr Billy Brine, Director of Governance, Projects and Grants, DPC. On my right I have Ms Claire Hodgetts, Director of Finance and Procurement, DPC. I want to thank them and the CreateSA team again for all the work they have done in preparing for estimates and for all the work that has been done in the past year. It has been a big year for arts, culture and creativity with the launch of our cultural policy on the very last day of March this year.

**The CHAIR:** Thank you, minister. Member for Bragg, do you want to make an opening statement—do you want to wax lyrical about the arts?

**Mr BATTY:** Instead, I might read the omnibus questions:

1. For each department and agency reporting to the minister, how many executive appointments have been made since 1 July 2024 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 2024 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 2024?

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 2024, 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 2025-26 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 2025, 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 2025-26 and each year of the forward estimates, and what is the estimated FTE impact of these measures?

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

(a) What was the actual FTE count at June 2025 and what is the projected actual FTE account for the end of each year of the forward estimates?

(b) What is the budgeted total employment cost for each year of the forward estimates?

- (c) 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 2025-26 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 2025-26 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 2025-26?
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 2024 and budgeted expenditure for 2025-26, 2026-27 and 2027-28.
14. For each grant program or fund the minister is responsible for, please provide the following information for the 2025-26, 2026-27 and 2027-28 financial years:
- (a) Name of the program or fund;
  - (b) The purpose of the program or fund;
  - (c) Budgeted payments into the program or fund;
  - (d) Budgeted expenditure from the program or fund; and
  - (e) 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:
- (a) Is the agency confident that you will meet your expenditure targets in 2025-26? Have any budget decisions been made between the delivery of the budget on 5 June 2025 and today that might impact on the numbers presented in the budget papers which we are examining today?
  - (b) Are you expecting any reallocations across your agencies' budget lines during 2025-26; if so, what is the nature of the reallocation?
16. For each department and agency reporting to the minister:
- (a) What South Australian businesses will be used in procurement for your agencies in 2025-26?
  - (b) What percentage of total procurement spend for your agencies does this represent?
  - (c) How does this compare to last year?
17. 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?
18. 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?
19. 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?
20. How many and what percentage of staff who undertake procurement activities have undertaken training on participation policies and local industry participants this FY?

I might begin with Budget Paper 5, page 57, a couple of new measures in this portfolio. On page 57, we have the arts and cultural policy. This is \$13 million over four years to deliver A Place to Create.

When you announced this policy on 31 March, you said it would be supported by an initial investment of more than \$80 million. This is providing for \$13 million. Where is the other \$67 million?

**The Hon. A. MICHAELS:** I am happy to answer that question for the member. When we launched that policy, A Place to Create—I am not sure if the member was there or has read it, I am sure he has read it—certainly a lot of work went into preparing that policy. It is a 10-year policy. We are going to implement it through short-term delivery plans, so on the day we launched the policy, we also launched the 2025-26 delivery plan. What we have as key pillars of that policy are around strengthening communities, enlivening places and connecting us through arts, culture and creativity.

What we will be doing is implementing the key strategies that feed into those pillars, so arts, culture and creativity for everyone, thriving artists and creatives, and we want to have robust arts organisations, creative businesses and cultural institutions. As the member mentioned, there was an announcement of an initial \$80 million investment to support all of those pillars and those strategies.

Some of the highlights for the member include more than \$15 million going to the Art Gallery of South Australia to deliver world-class programs including through our new Winter Art Series, which is exciting for the Art Gallery and something they have been really keen on for quite some time, so that will certainly help them to build on their audience, and attract new audiences, having that consistent Winter Art Series that they can now count on. We have \$3 million to build the international profile of south Australia's arts, culture and creative industries through showcasing our creative capabilities around the world.

We have more than \$2½ million to kickstart opportunities for children and young people to develop their creativity. This is something I am particularly keen on. I think the value of arts for young people cannot be underestimated and, through that investment of \$2½ million, we are supporting Adelaide Youth Orchestras and Carclew, and there is funding for a new children's experience at the State Library of South Australia that is part of the Words Grow Minds program. It is really exciting to be able to make that investment in the State Library as well.

We have more than \$1 million to boost philanthropic opportunities and create private investment to strengthen the sector. We have dollar-for-dollar matching programs, including one that we have already mentioned publicly with the Adelaide Festival. We have more than a million dollars to increase grant programs to support our arts organisations, and we are really aiming to create new and original work by South Australian artists and creatives.

We have more than \$2.3 million to be invested in our First Nations arts and culture in South Australia, and \$1.65 million to increase existing programs through the Music Development Office. The Music Development Office is currently and will be looking at their strategic plan off the back of A Place to Create, and working out the appropriate allocation for that. We have more than \$500 million in enlivening our regions with arts, culture and creativity through programs delivered by Country Arts. That is a range of what is available.

Where we get to that \$80 million is that we have \$68 million coming from existing funds. We had the Arts Investment Fund, which I am sure the member is aware of, that was announced in the 2024-25 state budget and was \$26 million. We had funding for the State Theatre, State Opera, Country Arts accommodation space which was \$19 million. The total for the SAFC ABC pipeline from its inception was some \$15 million. We have the Art Gallery money and a range of other investments.

There is \$13 million of new money that is in this budget. We have allocated \$6.8 million already for our first two-year delivery plan, which I mentioned, around the country arts programming, around increasing those grants to support arts organisations to create new work. There is a million dollars from that new money going to First Nations arts and culture. We have youth initiatives: \$560,000 going to our youth arts initiatives, including Carclew. We also have the music money of \$6.2 million left to be allocated through the next delivery plan in 2027-28 and 2028-29.

There has certainly been significant investment, I would say, since we came into government. It has probably gone a little unnoticed but there has been over \$160 million of new investment in arts since we came into government, and that is substantial. I am really proud of that and I am really proud of the work that we did in the cultural policy. I think that sets us up to be in a good place in the years to come.

**Mr BATTY:** So the \$80 million in the press release is just a grab bag of previous announcements in the arts portfolio of spending over the past few years?

**The Hon. A. MICHAELS:** No, that is not past spending in the past few years. This is money that has come out of the cultural policy and those delivery plans.

**Mr BATTY:** But it is money that was allocated before the cultural policy existed. The cultural policy was announced in March this year with a press release saying you were going to spend \$80 million but the—

**The Hon. A. MICHAELS:** And we are going to spend \$80 million.

**Mr BATTY:** —Arts Investment Fund, for example, was in last year's budget.

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

**Mr BATTY:** So is the \$80 million headline figure just a collection of spending previously rather than new money attached to the cultural policy?

**The Hon. A. MICHAELS:** That \$80 million is spending that is targeted at delivering the cultural policy over the next few years.

**Mr BATTY:** Do you think it was misleading to say in your media release that there would be an initial investment of more than \$80 million when there is only \$13 million in this budget?

**The Hon. A. MICHAELS:** Not at all because we said at the time there was \$13 million of new money.

**Mr BATTY:** You did not say that in your press release.

**The Hon. A. MICHAELS:** If you were at my speech, I said it in that.

**Mr BATTY:** I am not sure I was invited.

**The Hon. A. MICHAELS:** I am sure I could get you a video of it.

**Mr BATTY:** I will have to check the video. I think a lot of people have tried to undertake the task of adding together all of the numbers in your press release and figuring out how you arrived at the \$80 million, but that clarity you have just provided is useful. Perhaps if we stick just to the \$13 million of new money then, can you provide a breakdown of how that will be spent?

**The Hon. A. MICHAELS:** I can. With the \$13 million of new money, we have \$6.8 million allocated, as I said, to the first two-year delivery plan; and \$6.2 million is to be allocated in the next delivery plan, as I said. If you want, again, a breakdown of that \$6.8 million, we have \$610,000 to enliven regions with arts, culture and creativity through programs delivered by Country Arts. We have more than a million dollars to increase grant programs to support arts organisations and the creation of new original work by South Australian artists and creatives.

We have \$1 million in First Nations arts and culture, including grants to support cultural hubs and to establish and support First Nations-controlled arts organisations, and additional funding that will go into the Aboriginal and Torres Strait Islander Arts Strategy that we have continued to support. It was implemented by the former government and we have continued to support that.

As I said, \$560,000 is going to youth arts initiatives, including through Carclew. There is \$1.65 million going to increasing existing programs and initiatives to support original local music and live music venues through the Music Development Office and to deepen the impact of Adelaide's designation of the City of Music in the UNESCO Creative Cities Network. As I said, \$6.2 million will be allocated for the next delivery plan.

**Mr BATTY:** I could not write quite quick enough, but does everything you just listed add up to the \$6.8 million in the first two-year delivery plan?

**The Hon. A. MICHAELS:** There are additional that I have not listed, I think. There are some smaller items other than those headline items. Where we are able to provide that we will, but, certainly, that is a significant investment into arts going forward over the next couple of years to support our very important arts, culture and creative industry sectors in South Australia.

**Mr BATTY:** One of the initiatives in the media release, which you might have mentioned earlier, was \$1.5 million to the Music Development Office. Are you able to provide a breakdown of how and when that money will be spent?

**The Hon. A. MICHAELS:** As I said, the Music Development Office is at the moment going through a process to look at their strategic planning, to speak to A Place to Create. There has been an addition to their allocation of what is now \$1.65 million supporting music through the Music Development Office. They will allocate that accordingly once they do that strategic planning.

**Mr BATTY:** How much of the government's \$10 million live music support package announced in 2022 has been spent?

**The Hon. A. MICHAELS:** Of what was in the arts budget line, which was the \$5 million, I think we have almost completely spent that. I think, from memory, it might be \$147,000 remaining of the See it LIVE funding in the arts budget line and we expect to spend that in the 2024-25 financial year.

**Mr BATTY:** Excuse my ignorance, but there is \$5 million in another agency as part of that package?

**The Hon. A. MICHAELS:** That remained with the Department of Treasury and Finance. That was, I guess, the COVID insurance fund that was not spent. That was not an arts budget line. We have spent our almost \$5 million. As I said, we have \$147,000 left to spend, which we will spend in this current financial year.

**Mr BATTY:** Will the \$5 million remaining with Treasury be spent in the arts portfolio or indeed on live music?

**The Hon. A. MICHAELS:** It is a Treasury budget line. You might want to ask the Treasurer that.

**Mr BATTY:** Have you requested the Treasurer for additional funding for the arts portfolio, given that money has not been spent?

**The Hon. A. MICHAELS:** Obviously, I have because I got \$13 million in this budget. So yes, I have requested—

**Mr BATTY:** Is that in lieu of the \$5 million sitting in the Treasurer's—

**The Hon. A. MICHAELS:** No, that is totally separate; that has always been with Treasury before the COVID—

**Mr BATTY:** Have you asked for the \$5 million for additional funding on live music, given it was a \$10 million live music package and only \$5 million has been spent?

**The Hon. A. MICHAELS:** The money that was to be spent by Arts to support live music was \$5 million, and we have largely entirely spent that money. As I said, \$147,000 is left.

**Mr BATTY:** But what about the rest?

**The Hon. A. MICHAELS:** That is not in my budget line.

**Mr BATTY:** Have you asked for it?

**The Hon. A. MICHAELS:** I have asked for additional funding for Arts and we have an additional brand new \$13 million, which is part of \$160 million of new money that has gone into the arts since we came into government.

**Mr BATTY:** Another measure in that media release was \$4 million to the Adelaide Central School of Art. I think you have since clarified that is the transfer of land to the school of art. When will that land be transferred?

**The Hon. A. MICHAELS:** As the member might know, I—or whoever the relevant minister of arts is at the time—own the land that is part of that Glenside precinct. There is a memorandum of lease between me as the arts minister and the Central School of Art. They had a first right to develop that Erindale building. One of the conditions of that lease was for them to secure funding and

approvals, which I am very pleased they were able to do. In January of this year they were notified by the federal government that they are to receive \$6.954 million. That was approved under the commonwealth's Urban Precincts and Partnerships Program to redevelop Erindale.

The minister at that time, Catherine King, came down to make that announcement. It was very greatly appreciated by the Central School of Art and, as you mentioned, in terms of the state government that land was valued by the Central School of Art in their submission for the Urban Precincts and Partnership Program that they made to the federal government at \$4 million, so it is an in-kind contribution to make sure they are able to make that investment. It will be an excellent precinct once it is up and running.

**Mr BATTY:** Absolutely, it is very welcome. I have been advocating for it for some time. I am just interested in what you describe as the \$4 million contribution to transform the Adelaide Central School of Art. Will the title be transferred to the art school?

**The Hon. A. MICHAELS:** It is a lease and that is the value of the lease that the Central School of Art have put on there.

**Mr BATTY:** Were they not leasing it before that time? Did they not have access to Erindale?

**The Hon. A. MICHAELS:** They have an option. I have extended that option and previous ministers for arts have extended that option to give them time to get the funding. They now have that funding, they are exercising that option and those arrangements will be finalised in due course. As I said, we extended that option. They will have a long-term lease in place, and they will make that investment with the support of the commonwealth government.

**Mr BATTY:** What was the total cost of rebranding Arts SA to CreateSA?

**The Hon. A. MICHAELS:** I think it was relatively modest. The cost of rebranding was across two financial years—2023-24 and 2024-25. It is about \$64,000, which included the brand logo, brand guidelines, digital assets, templates, the website, creative and trademark. That rebranding process was led internally with existing CreateSA staff. No additional staff were undertaken to do that. We used a South Australian business to do that creative work source, which you might have known as Black Sheep Advertising in its former days.

What was really important about rebranding CreateSA and talking to our cultural policy is, as you would be aware, we had the creative industries people formerly sitting in what was the Department for Industry, Innovation and Science and we have brought them over into a full creative CreateSA, which was Arts SA. So we have moulded those together. We have one united portfolio, which is speaking to one long-term cultural policy, which is really quite ambitious. There was that rebranding cost, but quite modest and using a South Australian business.

**Mr BATTY:** Why did we need to do it? We could have brought them together, presumably, without spending \$64,000 to rename the agency.

**The Hon. A. MICHAELS:** It was a really important part of the policy. A really important part of the work that CreateSA does is to be united, to not just attach people to what was already existing. We are talking about a long-term policy that is focused on arts, culture and creative industries. We did some work on what that might look like through pretty extensive consultation.

I think that rebrand to reflect a united arts, culture and creative industries team into one portfolio, to have that renewed purpose that came out of the cultural policy work, was and is really important. It helps CreateSA lead that strategic piece through all of those areas—arts and creative industries—making sure we are a thriving cultural destination. I think it is something that has gone down particularly well, to be able to have that united rebranded portfolio.

**Mr BATTY:** Do you have a breakdown of what the \$64,000 was spent on?

**The Hon. A. MICHAELS:** If we are able to, we will take that on notice and provide you with any breakdown, but as I said, what it includes in that \$64,000 is the development of the brand and the logo, the guidelines, the digital assets, the templates, the website, and the creative and trademark work that went with that. In terms of specific breakdowns, we might be able to provide that on notice.

**Mr BATTY:** Did the minister commission an artwork to represent and embody the mission of her new arts policy?

**The Hon. A. MICHAELS:** I did not commission that work. I think CreateSA has done some work with an artist for that cultural policy work, which I can give you some details of. Within the cost of developing the process, \$13,777 was spent to develop the artwork to represent the vision of the policy. That was undertaken by CreateSA. We engaged another South Australian business, Ochre Dawn. I am not sure if you know Rebecca Wessels, but she is certainly a very highly regarded entrepreneur with her First Nations business, Ochre Dawn.

They are 100 per cent Aboriginal owned and operated, and their artworks are created by First Nations artists and ethically sourced. The final artwork was done by a Ngarrindjeri artist, Jordan Lovegrove, and is said to embody the mission of the policy to enrich South Australia's future through arts, culture and creativity. The artwork includes the design motifs that have been integrated throughout the policy and the delivery plan documents. So yes, we are very pleased to be able to support a local artist and a local South Australian business for a very moderate sum to create that artwork.

**Mr BATTY:** For what reason does the government need an artwork to embody the mission of their new policy?

**The Hon. A. MICHAELS:** Because we are the arts portfolio and we like to support our local artists.

**Mr BATTY:** Will you be creating any other artwork to embody the mission of any other arts policies?

**The Hon. A. MICHAELS:** This is a 10-year policy. I am pretty sure I will not be around in 10 years' time to make that decision—or I might be.

**Mr BATTY:** We will see. Where is the artwork? Is there a plan to display it?

**The Hon. A. MICHAELS:** You can see it on the cover of the policy. I do not have a copy with me.

**Mr BATTY:** Is it a physical piece of art as well, or is it just a digital asset?

**The Hon. A. MICHAELS:** It is a digital asset created by Jordan that has been used for the policy and the website. It does include the ongoing licence fee, so we can use that in different digital publications and in print as well.

**Mr BATTY:** What plans does the minister have to use the artwork? Where are you going to deploy the asset, other than in the policy document itself?

**The Hon. A. MICHAELS:** Throughout all the work that CreateSA does that will be a core pillar of how we present ourselves publicly. Through the website and any other work that gets done from here on—in terms of future delivery plans, I am sure we will use that artwork.

**Mr BATTY:** I might move to a new budget paper: Budget Paper 4, Volume 4, page 15, and the investing expenditure summary. Just briefly on the cultural institutions collection storage, when will this project finally be complete?

**The Hon. A. MICHAELS:** I will be very pleased when this is finally completed. It is on track. We had early works commencing on the site in August last year, and main construction commenced in October last year. Practical completion is, I am advised, on schedule for completion in December this year, and relocations will happen from those cultural institutions by June 2026. That work, following some rescoping work to make sure it is achieving its desired intention, is now on track to be completed and for our institutions to move their items into that facility.

**Mr BATTY:** What has been the impact of the rescoping in terms of the collections of the institutions? Are there certain parts of those collections that now will not be stored in this facility?

**The Hon. A. MICHAELS:** There was a decision made some time ago. There is a project steering committee which is chaired by DPC, but all the stakeholders are represented on the committee; the Art Gallery, Museum, State Library, the History Trust and Artlab all have



representatives on that committee. They were doing that rescoping work, and we are in a pretty good place now with that final design.

There was a decision made to retain, I think, the Netley 262 facility, the southern storage facility that AGSA has. There are some still at North Terrace, and that was a decision of the steering committee, to retain some of those premises. Where we do have to move out, in terms of the Netley facility, that will be facilitated and undertaken before the expiry of those leases in the middle of next year.

**Mr BATTY:** Do we know what the ongoing costs will be for the alternative accommodation for those parts of the collections that cannot move to the new facility?

**The Hon. A. MICHAELS:** I am advised that it is within existing budgets, the existing budget for the rent for Netley 262. AGSA owns the southern store, so that has been dealt with as well.

**Mr BATTY:** Are the parts of the collections that are moving scheduled to be moved before the leases expire at their current housing?

**The Hon. A. MICHAELS:** Yes; that is the intention.

**Mr BATTY:** When do those leases expire?

**The Hon. A. MICHAELS:** The expiry date for the lease is 10 June 2026, the commercial part.

**Mr BATTY:** When do you anticipate the move of the collection to be complete?

**The Hon. A. MICHAELS:** When practical completion is undertaken and, I guess, when we receive the keys to the storage facility in December, those institutions will start moving their collections over the next six months from that completion date.

**Mr BATTY:** When will that move be completed?

**The Hon. A. MICHAELS:** Before 10 June 2026, but I do not have any further—

**Mr BATTY:** Perhaps 9 June 2026? On the same page is Tarrkarri. When will a decision be made regarding Tarrkarri's future?

**The Hon. A. MICHAELS:** I think the member is aware—I have said it publicly and so has the Premier—that that funding is within the Lot Fourteen funding. I think the Premier has also said before it is something we are certainly committed to work on. For any further information I think you should ask the Premier.

**Mr BATTY:** So the Minister for Arts has no responsibility for a proposed major arts and cultural centre?

**The Hon. A. MICHAELS:** It has been—including under the former government, I believe—within the Lot Fourteen responsibility that sits under the Premier.

**Mr BATTY:** I think the former Premier was also the arts minister. Does anyone in CreateSA work on this project?

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

**Mr BATTY:** No-one in your department or your agency works on Tarrkarri?

**The Hon. A. MICHAELS:** Not within CreateSA. Obviously, they sit within DPC and there are DPC people working on that.

**Mr BATTY:** Have you, as Minister for Arts, been involved in any discussions with philanthropists, businesses or private partners with respect to Tarrkarri?

**The Hon. A. MICHAELS:** No. This is something that the Premier is really passionate about, and he has taken the leadership on those discussions.

**Mr BATTY:** You have not been privy to any of those discussions?

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

**Mr BATTY:** I will move on to another page, page 29 of the Agency Statement, and the line item 'Grants and subsidies', which is a line item that I will rely on for a lot of my questions going forward. Sticking to the general first—

**The Hon. A. MICHAELS:** Sorry, are you referring to 'Grants and subsidies' in income or expenses?

**Mr BATTY:** Expenses. This year, the estimated result is \$156 million, whereas the budget for next year is \$139 million. Are we spending less on arts grants in the coming year, and why is this the case given we are launching the new cultural policy?

**The Hon. A. MICHAELS:** Some of the difference between the actual for 2024-25 and 2025-26 is money that was spent in this year that will not continue to be spent in the following year. For example, the funding for the Heysen gallery was part of the Adelaide City Deal; that is \$3 million that does not need to be spent anymore. We have some money that was spent on the western plaza upgrade works at the Festival Centre. Again, that has been done and does not need to continue to be spent. There was a contribution that came from Creative Australia for a partnership between Carclew and The Mill that was only for the 2024-25 year. There are a few other smaller bits and pieces in that difference.

**Mr BATTY:** But notwithstanding launching the new cultural policy with an apparent \$80 million investment, we will be spending less this coming year on arts grants than in the previous year?

**The Hon. A. MICHAELS:** Projects like the Heysen gallery, City Deal money for Carrick Hill—that might have ended, I am not sure—those sorts of projects have been completed.

**Mr BATTY:** I would like to ask some questions about the South Australian Museum. What was the annual operating grant for the South Australian Museum this year?

**The Hon. A. MICHAELS:** I will provide that to you. For this year, there was an operating grant of \$13.57 million.

**Mr BATTY:** That is the year that is about to end?

**The Hon. A. MICHAELS:** Yes, 2024-25.

**Mr BATTY:** Have the Museum been informed what their operating grant will be for the coming year?

**The Hon. A. MICHAELS:** Yes, they have been.

**Mr BATTY:** What is that number?

**The Hon. A. MICHAELS:** \$11.454 million.

**Mr BATTY:** So the Museum is having their budget slashed by over \$1 million.

**The Hon. A. MICHAELS:** No, they are not having their budget slashed.

**Mr BATTY:** By nearly \$2 million.

**The Hon. A. MICHAELS:** There were additional items allocated in 2024-25, for example, \$1.5 million that was allocated to assist the Museum in their operations this year off the back of the Premier's review. There were a number of other items that supported the Museum this year. I can tell you their base-level funding is going up. The base-level funding, taking away the additional funding adjustments for extra projects, was \$10,468,000 in the 2024-25 year. That is going up to \$11,454,000 in the 2025-26 year in terms of the base-level operating grant.

**Mr BATTY:** But the Museum's operating grant last year was \$13.5 million, and this coming year you have just written them a letter saying it will be \$11.4 million, so there is a \$2 million reduction in the operating grant for the South Australian Museum.

**The Hon. A. MICHAELS:** Yes, but that includes the project funding that was available this year. That is time-limited project funding that is not available in future years.

**Mr BATTY:** What was that project funding for?

**The Hon. A. MICHAELS:** As I said, there was the additional assistance provided by the government of \$1.5 million for their operations.

**Mr BATTY:** What does that mean? Do they not need that this year as well?

**The Hon. A. MICHAELS:** They will work within their \$11.45 million operating grant for this future year, 2025-26. Some of those other differences, for example, included an air handling unit replacement—air conditioning—that was \$91,000. Gas suppression tanks were allocated an additional \$52,000, so there were other amounts in terms of project money that, as I said, were time-limited. Their base funding is actually going up by \$1 million.

**Mr BATTY:** With the operating grant dropping by \$2 million, will there be any job losses?

**The Hon. A. MICHAELS:** It is not the operating grant. The base level operating grant that assists their operations is \$10.468 million in 2024-25. In 2025-26, it is going up to \$11.454 million.

**Mr BATTY:** But when I first asked you the question about what the annual operating grant has been for the year just ended, you said it was \$13.57 million.

**The Hon. A. MICHAELS:** The operating grant adjusted for the 2024-25 year, which includes those project amounts, was \$13.57 million.

**Mr BATTY:** It is very confusing, but the headline is they are getting \$2 million less out of the government this coming year than they did last year.

**The Hon. A. MICHAELS:** I would dispute that in terms of ongoing funding.

**Mr BATTY:** What do you mean you would dispute it?

**The Hon. A. MICHAELS:** I say again, the operating grant, as per the grant agreement, without the additional time-limited projects, is \$10,468,000 for 2024-25. For 2025-26, the base level operating grant goes up to \$11,454,000. Of course, when we did the Premier's review and announced that, they got an additional \$4.1 million of funding through that. That supports them in work they are going to do to implement the Premier's review recommendations.

**Mr BATTY:** Will there be any job losses at the Museum over the coming year?

**The Hon. A. MICHAELS:** We are certainly not forecasting any job losses that we are aware of—certainly not.

**Mr BATTY:** How was the additional money that was given to the Museum actually spent, the bit that was supporting the Premier's review?

**The Hon. A. MICHAELS:** Of the \$4.1 million that was announced for the Premier's review, \$2.8 million is to assist the Museum in its operations; \$300,000 is supporting the marketing of the Galloway Hoard exhibition—I do not know if the member has seen that; and \$1 million was allocated to support the Museum developing the strategy piece that was part of the recommendations coming from the Premier's review.

**Mr BATTY:** Is there any funding in this budget allocated to implementing the new strategic vision coming out of the Premier's review?

**The Hon. A. MICHAELS:** Yes, there is additional money allocated in this year's budget as well.

**Mr BATTY:** Is that reflected in the \$11.45 million you referred to earlier?

**The Hon. A. MICHAELS:** It will be in addition to the base operating grant.

**Mr BATTY:** Can the minister provide an update on the recruitment of a new director of the Museum?

**The Hon. A. MICHAELS:** That process is, I suspect, nearing the end. Mr Hunter might be able to add anything, but I think that process is nearing the end and we will be able to make announcements pretty shortly, I suspect. Can I just add to that: I want to thank Clare Mockler, who stepped in as acting director for a period of time. She has done an excellent job there and I know CreateSA will welcome her back with open arms.

**Mr BATTY:** Is Ms Mockler actually serving in dual capacities at the moment, or is there an interim director of CreateSA?

**The Hon. A. MICHAELS:** She is not serving in dual capacities. She is fully dedicated to being the acting director of the Museum at this point.

**Mr BATTY:** So who is in charge of CreateSA?

**The Hon. A. MICHAELS:** I would say Mr Hunter.

**Mr BATTY:** You would say? Okay. On the same budget line but a different topic, the Arts Investment Fund: how much of the fund was spent over the last year, who were the successful recipients of grants from the fund and what was the purpose of those grants?

**The Hon. A. MICHAELS:** The initiatives supported to date out of the Arts Investment Fund are:

- the Carrick Hill revitalisation project, for which \$332,000 has been allocated in the 2024-25 financial year to support the development of a holistic road map for the delivery of a vision for Carrick Hill as a nationally and globally significant cultural tourism destination;
- the Libraries Board has been successful with \$2 million over two years, 2024-25 and 2025-26, to establish an interactive experience for young children, promoting early literacy and diverse stories and supporting key themes out of the Words Grow Minds early childhood program initiative;
- the Art Gallery has been successful with \$2.5 million in 2024-25 and \$2.5 million in 2025-26 to support their audience experiences, strategic business development and master planning for infrastructure and visitor experience;
- we are working towards incentivising public donations through dollar-for-dollar matched funding campaigns—Country Arts, Adelaide Festival and State Opera have all been successful in that, and that is \$1.5 million dollars from the investment fund from 2024-25 through to 2026-27; and
- the Jam Factory has been successful with an artist employment strategy, and that is \$900,000 over three years from 2025-26 through to 2027-28 to support the implementation of an artist employment strategy, increasing Jam Factory's capacity to generate commercial revenue through the employment of South Australian artists, designers and makers, and including a really exciting annual scholarship for First Nations artists to undertake the associate training program at the Jam Factory.

On top of that, \$3.8 million was allocated to the Museum to support the Premier's review recommendations, and \$780,000 was allocated to Tandanya in 2023-24 for some of the building works to support the reopening of that building.

**Mr BATTY:** So the \$3.8 million for the Museum came from the Arts Investment Fund?

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

**Mr BATTY:** How many applications were there for grants from the fund?

**The Hon. A. MICHAELS:** Approximately 15.

**Mr BATTY:** Again, I did not write down everything you just said, but how many of those applications were successful?

**The Hon. A. MICHAELS:** Nine.

**Mr BATTY:** Who could apply for those grants? What is the eligibility criteria?

**The Hon. A. MICHAELS:** What we are looking for is expressions of interest for ideas that demonstrate a strategic investment, so we are really looking at where there is collaboration between organisations and where there is an innovative business idea. We want to make sure that there is leveraging of additional investment; that is an important criterion. Some of those, such as the dollar-

for-dollar matching, really talk to that. We want to use the investment fund for building the long-term sustainability of the arts sector. Again, that is around collaborations and boosting productivity. Those are the sorts of things that the Arts Investment Fund committee is looking at when they assess those applications.

**Mr BATTY:** Is the grants scheme only open to statutory authorities and major organisations?

**The Hon. A. MICHAELS:** Initially, in the first couple of years, it has been focused on those organisations. We will undertake a grants review, a funding review, that was specified in the 2025-26 and 2026-27 delivery plan that came out with the cultural policy. We will then reassess that after the grants and funding review work is done.

**Mr BATTY:** Why was the decision made to open this scheme just to statutory authorities and major organisations?

**The Hon. A. MICHAELS:** What we really wanted to do is use that funding, as I said, to look at innovative business approaches and look at long-term sustainability. It was important, and with some of those applications they happened to be that—and we are certainly keen to support our statutory authorities.

**Mr BATTY:** Who is the decision-maker on who receives grants from this fund?

**The Hon. A. MICHAELS:** There is an Arts Investment Fund committee. They are responsible for assessing, prioritising and making the recommendations for the fund. Those decisions are made by Mr Hunter, Ms Clare Mockler and the director of social policy within DPC. They are the three representatives on that committee.

**Mr BATTY:** What are the assessment criteria?

**The Hon. A. MICHAELS:** The investment principles are around strategic alignment so that it supports government and organisational priorities, innovation and collaboration—we want to see that the investment drives innovation—enhances productivity; builds capacity; and promotes collaboration across the arts, culture and creative industries sector. In terms of visibility, we want to ensure the investment raises the profile and accessibility of the sector locally and globally. In terms of benefits, we want to see that the investment delivers significant value to the South Australian government, to the community and to the sector.

I have mentioned resource leveraging, where the investment attracts or leverages additional financial or operational support to enhance its overall impact. Regarding value for money, the investment needs to deliver value for money through cultural and community outcomes, efficiencies, increased commercial outcomes or measurable economic return. In terms of feasibility, the investment needs to be practical, able to be completed within a specified timeframe, and on budget.

**Mr BATTY:** I refer to the same budget line but a different topic: the Artists at Work Taskforce. When did the task force provide the minister with its report?

**The Hon. A. MICHAELS:** The final report was submitted in October 2024 after some substantial work. The task force was established in March 2024. Obviously, it was an election commitment. I want to thank Nick Linke, who was the final chair (he took over from Alison Lloyd-Wright) and all the members of the task force. There was certainly a lot of work that was done. The task force has made 25 recommendations and about 40 subrecommendations. Many of those are directed to the government as a whole, rather than just to the arts portfolio. They also include recommendations that are within the remit of the federal government.

Since we received that report in October, DPC has consulted across government to work on developing the South Australian government's response to those recommendations. I certainly look forward to being able to finalise that and releasing it in the coming weeks.

**Mr BATTY:** It will be released in the coming weeks, will it?

**The Hon. A. MICHAELS:** Yes, that is the intention.

**Mr BATTY:** Along with the government response.

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

**Mr BATTY:** Returning to the SA Museum, is the minister aware of what other impact there might be on the Museum from the reduced total grant for this year? Will there be any impact on the research capabilities of the Museum?

**The Hon. A. MICHAELS:** At the moment, the Museum is undertaking consultation on their strategic plan. I was at one of those public sessions maybe a few weeks ago. Part of the answer is that it really depends on what comes out of that strategic planning work. If we look at the recommendations that came out of the Premier's review, obviously it was to cease all those proposed changes at that point in time, but the important thing is to develop that new strategic vision and plan. That work is being done at the moment. Once that work is done, the Museum is tasked with developing a research strategy and exploring research models.

As I said, to some extent I cannot answer that question because it is a matter for the Museum to do that work to develop their research strategy off the back of the strategic plan. A lot of public consultation has been undertaken. There has been some comprehensive engagement with staff over the last number of months. Stakeholders have been engaged. Professor Rob Saint, who was appointed as the chair, has also done an extraordinary job, along with Ms Mockler and the team at the Museum, in engaging not only staff but those key stakeholders for what will be an exciting future vision for the Museum.

**Mr BATTY:** That could result in a reduction in the research capacity of the Museum?

**The Hon. A. MICHAELS:** Sorry, what was that?

**Mr BATTY:** It might result in a reduction of the research tasks that the Museum undertakes?

**The Hon. A. MICHAELS:** I do not expect so, given that research is a focus of those recommendations that came out of the Premier's review.

**Mr BATTY:** Will it involve the closure of any permanent exhibitions?

**The Hon. A. MICHAELS:** Again, that work is being done, so it is not a rule in, rule out. That work is being done around the strategic vision. An asset management and infrastructure study was one of the other things that needed to be conducted out of those recommendations. That work will be led by DPC, doing that work to make sure we have a better Museum going forward.

I think it is a really exciting time for the Museum. The Viking exhibition has been really popular. That was off the back of some additional funding that we provided. I think there are exciting times for the Museum. I think certainly there was a positive vibe in the public consultation forum that I went to. I know there have been positive comments coming from staff through to Professor Saint. So I think it is onwards and upwards for the Museum.

**Mr BATTY:** I hope so. State Opera will celebrate its 50<sup>th</sup> anniversary next year. I think at estimates last year you said that government would be open to supporting them with a special celebration in 2026. How are those plans progressing and what additional funding has been provided for this purpose?

**The Hon. A. MICHAELS:** As I mentioned, State Opera was successful in securing some of the Arts Investment Fund money that will help them with their 50<sup>th</sup> year celebrations. It is an exciting time for the opera. They are receiving \$290,000 from the Arts Investment Fund, which is supporting their matched funding campaign to mark their 50<sup>th</sup> anniversary. That is going to run alongside their end of financial year appeals with their donors. They are getting additional funding of \$90,000 because they want to do some market research to help reposition the State Opera to make sure it remains a strong and relevant organisation for the next 50 years and beyond.

**Mr BATTY:** What is the 2025-26 operating grant for the State Library, the Art Gallery, the Museum, Carrick Hill, State Theatre, State Opera, the Adelaide Symphony Orchestra, Country Arts SA, Australian Dance Theatre, Adelaide Fringe, Adelaide Festival Corporation, Adelaide Festival Centre Trust and Tandanya, and how does that compare to the previous four years?

**The Hon. A. MICHAELS:** That might be a question we take on notice, but I might just give you some high-level information. The base operating grant for those organisations, for example Festival Centre Trust, is \$15.5 million and the Adelaide Festival was \$8.882 million. Did you mention

the Film Festival? No, I do not think you did. The Symphony Orchestra I think you mentioned, that is \$2.861 million. I think you mentioned the Art Gallery, that is \$8.352 million. I think I have missed some. Carrick Hill I think you mentioned.

**Mr BATTY:** I did. I suspect I am after anything you have on that sheet of paper in front of you.

**The Hon. A. MICHAELS:** I am trying to recall. Carrick Hill, if that was one of them, is \$976,000. I cannot remember the others that you mentioned, but we will provide what we can provide on notice, given the time.

**The CHAIR:** Given the time, that was your final question. The allotted time having expired, I declare the examination of CreateSA complete. The examination of the proposed payments and the Administered Items for the Department of the Premier and Cabinet are adjourned until tomorrow.

Thank you to the minister, thank you to advisers and public servants. We do acknowledge all the work that is done in order to prepare for estimates. I am sure we could come up with a better process but we do not seem to have in all these years—maybe one day. Also, I thank opposition members, government members and all parliamentary staff, including Hansard and, obviously, security up there in the corner, patiently sitting.

At 17:01 the committee adjourned to Tuesday 24 June 2025 at 09:00.