

## HOUSE OF ASSEMBLY

Tuesday 19 June 2007

The SPEAKER (Hon. J.J. Snelling) took the chair at 11 a.m. and read prayers.

## APPROPRIATION BILL

Adjourned debate on second reading.  
(Continued from 7 June. Page 400.)

**Mr HAMILTON-SMITH (Leader of the Opposition):**

This is a bad budget—a bad and a sad budget. This is a budget that taxes, borrows and spends; but, as it taxes, borrows and spends, it avoids the key steps to building a better South Australia. It avoids water infrastructure in the middle of our biggest water crisis. It bases plans of better health services on one new building built in the wrong place at the wrong time, and it gives up on public transport and infrastructure. The first thing this state needs is water for the future. The last thing it needs is a west end political monument.

From the moment this budget was revealed, it has unravelled. This budget does not herald the structural reform South Australia so badly needs. It has been exposed for its debt, its disappointment and for its delay. It has gone from triple A to triple D. The budget forecast had been for economic growth in the past financial year of 2.5 per cent, but it was only 1 per cent. The Treasurer now tells us that next year he hopes the drought will end and that we will have 4 per cent growth. This, he argues, will produce the revenues he needs to pay the debt he has now accrued. But will it be 4 per cent growth, or will it be 1 per cent yet again? What will that growth be? The fact is that South Australia's national share of the economic cake, including growth, has continued to decline in the six budgets Labor has produced.

South Australia's economic outlook, compared to the other states in this great nation, is bleak. Our competitiveness on a range of measures has remained in decline over six budgets. I seek leave to have a statistical table inserted in *Hansard* without my reading it.

Leave granted.

South Australia's gross state product share as a percentage of national gross domestic product  
Source: ABS 5220.0

2001-02	2002-03	2003-04	2004-05	2005-06
6.83%	6.74%	6.73%	6.63%	6.59%

South Australia's state final demand share as a percentage of national domestic final demand  
Source: ABS 5206.0

March 2002	March 2007
7.05%	6.76%

South Australia's private new capital expenditure—percentage share of the national total  
Source: ABS 5625.0

March 2002	March 2007
6.48%	6.42%

South Australia's construction work done—percentage of the national total  
Source: ABS 8755.0

March 2002	March 2007
5.57%	5.21%

South Australia's engineering construction activity—percentage share of the national total

Source: ABS 8762.0

March 2002	December 2006
7.00%	4.30%

South Australia's labour force—percentage share of the national total employed  
Source: ABS 6202.055.001

March 2002	April 2007
7.53%	7.19%

South Australia's merchandise exports—percentage share of the national total  
Source: ABS 5368.0

March 2002	April 2007
7.42%	5.36%

South Australia's retail trade—percentage share of the national total  
Source: ABS 8501.0

March 2002	April 2007
7.42%	7.17%

**Mr HAMILTON-SMITH:** You will see that South Australia's share of gross state product as a percentage of the national gross domestic product has declined, since this Labor government came to office, from 6.83 per cent in 2001-02 to 6.59 per cent now. Our share of state final demand, when compared to national domestic final demand, has also declined in the five years of this government, from 7 per cent to 6.76 per cent. Our share of private new capital expenditure is down to 6.42 per cent. Our share of construction work done as part of the national total is down to 5.21 per cent. Our share of the nation's engineering construction activity is down from 7 per cent to a striking 4.3 per cent. Our share of national employment is down from 7.5 to 7.19 per cent. Our share of merchandise exports is down from 7.42 per cent to a striking 5.36 per cent. Our share of retail trade is down in these six years from 7.42 to 7.17 per cent.

The problem is that times are good here, and that is wonderful—they are just better everywhere else in Australia. It so happens that people, families and businesses in other states are enjoying greater bounty during these buoyant national economic times than we enjoy here. What is the distinguishing difference? The distinguishing difference is that we have a state Labor government, led by this Premier with a Treasury bench managed by this Treasurer.

How will this budget help South Australians to greater prosperity? How does this budget deal with the core structural issues at the heart of South Australia's pathway to the future? This is a budget of deficit. In two of the three normally used accounting measures, Treasurer Foley's budget is in striking deficit. On a lending basis, a cash surplus basis and a net operating surplus basis, not all are in surplus. Of course the Treasury uses the one that looks the best—net operating balance—which shows a small surplus. If he uses the measure the commonwealth uses—cash basis—his budget is in a pickle. I seek leave to have inserted in *Hansard* a further statistical table without my reading it.

Leave granted.

Fiscal targets  
Source: State budget papers

	2002-03	2003-04	2004-05	2005-06	2006-07 (est)	2007-08 (est)	2008-09 (est)	2009-10 (est)	2010-11 (est)	5 year figures 2006-07 to 2010-11
Net operating balance surplus/(deficit)	448	385	224	202	38	30	205	336	278	887
Net lending/(borrowing)	414	424	119	83	-176	-428	-383	-167	-314	-1 468
Cash surplus/(deficit)	658	522	193	187	-208	-386	-393	-155	-281	-1 423

**Mr HAMILTON-SMITH:** This Treasurer and this Premier are not running surplus budgets—they are in deficit: let the facts be heard. This is a budget which rebuilds a mountain of debt. Premier Rann and Treasurer Foley gave us the State Bank. We recall that Premier Bannon was captain of the HMAS State Bank. He wrecked it aground and bankrupted the state. The chief engineer on the bridge was his senior minister, Mike Rann, there providing advice in the inner sanctum of cabinet, pulling the levers, describing Tim Marcus Clark as a wonderful person, saying there was not a problem, and he could not understand the fuss. Well, \$11.5 billion later, and with a current account deficit of \$300 million, this state faced a very bleak future. Running around on the bridge of the HMAS State Bank, dressed in his whites and delivering cups of tea as a runner, was Kevin Foley, a senior adviser to the Premier of the day. He was the financial brains that advised the Premier that led to the State Bank. Well, South Australians have good cause to be concerned, because this budget is being delivered by the same crew that ran the HMAS State Bank to ground. Here we go again with debt—the ‘D’ word. General government sector debt is to rise tenfold, from \$151 million to \$1.5 billion in the life of this budget. I seek leave to have inserted in *Hansard* a further statistical table.

Leave granted.

As at 30 June	Net debt Source: State budget papers		
	General government	Public non-financial corporations	Non-financial public sector (state sector)
1993	7 884	3 726	11 610
1994	7 113	3 437	10 550
1995	5 815	3 029	8 844
1996	5 512	2 920	8 432
1997	4 983	3 187	8 170
1998	4 762	3 165	7 927

State unfunded superannuation liabilities  
\$ millions

Source: State budget papers

June 1999	June 2000	June 2001	June 2002	June 2003	June 2004	June 2005	June 2006	June 2007	June 2008	June 2009	June 2010	June 2011
3 909	3 543	3 249	3 998	4 445	5 668	7 227	6 146	5 741	5 791	5 831	5 861	5 881

**Mr HAMILTON-SMITH:** You will note that unfunded liabilities are at around \$6 billion and are likely to remain there until 2011. There seems to be no concerted effort to provide funds to offset that superannuation liability. Of

As at 30 June	Net debt Source: State budget papers		
	General government	Public non-financial corporations	Non-financial public sector (state sector)
1999	4 780	2 878	7 658
2000	1 920	2 435	4 355
2001	1 246	1 977	3 223
2002	1 303	2 014	3 317
2003	666	2 030	2 696
2004	224	2 061	2 285
2005	144	1 982	2 126
2006	-119	1 905	1 786
2007 (est)	151	2 112	2 263
2008 (est)	618	2 083	2 701
2009 (est)	1 011	2 062	3 073
2010 (est)	1 165	2 050	3 215
2011 (est)	1 443	1 918	3 361

**Mr HAMILTON-SMITH:** State public sector debt in total will reach \$3.4 billion by 2011—a figure strikingly similar to that left by the State Bank. Compare the performance of Premier Rann and Treasurer Foley in this state government with that of Prime Minister Howard and Treasurer Costello in the commonwealth government. One of those governments—the federal government—is using these buoyant economic times to reduce debt, to cut taxes and to provide billions of dollars for the future in the form of future funds to offset superannuation liabilities. Another government enjoying the same buoyant economic times and led by this Premier and this Treasurer here in South Australia is running up debt, increasing taxation and providing no money to offset our future liabilities. Both governments are enjoying the same economic conditions, but one is going forward and the other is taking us down. Unfunded superannuation liabilities are out of control. I seek leave to insert in *Hansard* without my reading it a further statistical table.

Leave granted.

course, it gets worse because we are approaching a \$1 billion unfunded liability in WorkCover. I seek leave to insert in *Hansard* without my reading it a further statistical table.

Leave granted.

WorkCover Corporation unfunded liabilities

\$ millions

Source: WorkCover Corporation annual reports

June 1997	June 1998	June 1999	June 2000	June 2001	June 2002	June 2003	June 2004	June 2005	June 2006	December 2006
110	79	29	22	56	192	591	572	647	694	723

**Mr HAMILTON-SMITH:** Members will note that the unfunded liability of WorkCover, which is already close to \$730 million, is likely to reach \$1 billion very soon. When you add together the \$3.4 billion of debt, the \$6 billion of unfunded superannuation liability and the \$1 billion of WorkCover unfunded liability, you are well beyond \$10 billion of debt and unfunded liabilities at a time when the economy is buoyant and when tax revenues are high. When things should look different, they do not. Why don't they? Because this government, led by this Premier and this Treasurer, are mismanaging the state's accounts.

This is indeed the same pathway that led us to the State Bank debt of \$11.5 billion, and we cannot escape that fact. The Labor Party keeps wanting to talk about the past and, whenever Labor wants to talk about the past, we are very happy to oblige. If Labor members want to talk about when we were in government, we will talk about what happened when they were in government, because we on this side of the house well remember what it was like trying to build infrastructure in 1994, 1995 and 1996.

The Treasurer and the Premier love to get up and say, 'When you Liberals were in government, you didn't build the Southern Expressway both ways. You put up only \$170 million to build it one way and to buy the land for it to

be reversed when the money was available. You should have put up \$300 million.' Well, it might surprise members on the other side to know that, with a debt of \$11.5 billion, and \$300 million a year in the red, the money was not flush. The easiest thing to do would have been to do what Bannon did, which was nothing, and leave the people of the south with no alternative. But we did it—and we extended the airport; we set the pathway forward for the Alice Springs to Darwin railway; we built the Convention Centre and the cultural precinct along North Terrace; and we built the South-Eastern Freeway. We did that with no money, because this Premier and this Treasurer bankrupted the state—and here they go again, with more unfunded liabilities and more debt amounting to more than \$10 billion.

It is also a budget full of disappointment for families, the aged, schoolchildren, small businesses and for those most in need. Overall taxation is up extraordinarily, including payroll, property, gambling, insurance and motor vehicles. In fact, this government, in the six budgets it has produced, is now raking in a tax take 48 per cent higher than when it first came to office. That is the extent of the pillage and the attack upon ordinary families, small businesses and householders across the state from this government. Mr Speaker, I seek leave to insert table 6.

Leave granted.

General government revenues and expenditure 2001-02 to 2007-08

	2001-02 Actual \$ million	2002-03 Actual \$ million	2003-04 Actual \$ million	2004-05 Actual \$ million	2005-06 Actual \$ million	2006-07 Estimate \$ million	2007-08 Budget \$ million	% increase under Labor 2001-02 to 2007-08
Total tax revenues	2 194	2 431	2 806	2 941	2 979	3 215	3 243	48%
Total actual revenues	8 538	9 346	9 955	10 592	11 242	11 665	12 140	42%
Total actual expenses	8 713	8 898	9 570	10 368	11 040	11 242	12 110	39%

**Mr HAMILTON-SMITH:** Let us consider for a moment payroll tax. The levy rate reduction announced in this budget is welcome and, on this side of the house, we give the government full credit for making that decision. It has been welcomed by business, and it will save some businesses a significant amount of money. However, I remind the house that the government did nothing about the payroll tax threshold of \$504 000, the lowest in the nation. It did nothing to explain. It is capturing hundreds of businesses—in fact, thousands of businesses—into the web of payroll tax, which if located in other states would not be paying a cent. It did nothing about the levy threshold.

It will hardly—as the Hon. Mr Foley claims—lead to some sort of renaissance or new resurrection in business because, although it is welcome, it belies the point that we still have one of the toughest payroll tax regimes in the nation. Not only that, an examination of the budget reveals that, despite this cut, payroll tax revenues will still flourish in three years. In fact, they will be up 42 per cent since this government came to office. Taxes on property—and I will elaborate on this story in more detail—are up 75 per cent to a striking \$1.3 billion; taxes on gambling are up 30 per cent; taxes on insurance, up 33 per cent; and motor vehicle taxes, up 26 per cent—a total of 48 per cent. It is outrageous. Mr Speaker, I seek leave to insert table 7.

Leave granted.

General government taxation revenue 2001-02 to 2007-08

	2001-02 Actual \$ million	2002-03 Actual \$ million	2003-04 Actual \$ million	2004-05 Actual \$ million	2005-06 Actual \$ million	2006-07 Estimate \$ million	2007-08 Budget \$ million	% increase under Labor 2001-02 to 2007-08
Payroll tax	601	654	714	747	792	841	853	42%
Taxes on property	731	838	1 071	1 121	1 119	1 260	1 280	75%
Taxes on gambling	312	340	379	401	401	423	406	30%
Taxes on insurance	223	254	265	283	284	299	296	33%
Motor vehicle taxes	324	343	372	384	384	392	409	26%
Other taxes	3	-	4	5	-	0	0	
Total general government taxes	2 194	2 431	2 806	2 941	2 979	3 215	3 243	48%

**Mr HAMILTON-SMITH:** Of course, one of the consequences of our payroll tax regime and our low threshold is that it has had a crushing effect on national employment, and that is part of the reason why employment in this state has declined in the life of this government from 7.53 per cent to 7.19 per cent. The government talks about jobs, but what it does not tell us is that, compared to other states, the jobs market here is shrinking. More jobs are being created in other states. Mr Speaker, I seek leave to insert table 8.

Leave granted.

South Australia's labour force—percentage share of the national total employed

Source: ABS 6202.0.55.001	
March 2002	April 2007
7.53%	7.19%

**Mr HAMILTON-SMITH:** As I mentioned, property taxes are at an all-time high, but let me talk for a moment about private sector land tax collections, because they are up extraordinarily. When we were in government the figure was \$63.9 million. Now, by 2011 under this budget, the figure will be \$170 million. Mr Speaker, I seek leave to insert table 9.

Leave granted.

Private sector land tax collections  
\$ millions

Source: State budget papers

June 2002	June 2003	June 2004	June 2005	June 2006	June 2007	June 2008	June 2009	June 2010	June 2011
63.9	66.4	80.5	113	132.7	143	157	162	166	170

**Mr HAMILTON-SMITH:** Stamp duty collections are up extraordinarily. When the Liberals were last in office the figure was \$311 million. Now, under this government, the

figure will be \$788 million by 2010-11. Mr Speaker, I seek leave to insert table 10.

Leave granted.

Stamp duty collections on the conveyance of properties  
\$ millions

Source: Department of Treasury and Finance annual reports and state budget papers

1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
227	313	311	358	440	585	567	600	695	697	742	773	788

**Mr HAMILTON-SMITH:** Despite the tough talk and the waffle about having delivered tax cuts, this government has delivered nothing but massive tax increases. Taxes on motorists may soon hit \$1 billion, not only on registrations but also on licence fees and the costs of owning and operating a car through taxes and stamp duties on car sales. However, members need to bear in mind that, for every cent of GST motorists pay when they fill up their fuel tank at the bowser, Treasurer Foley receives \$26 million. When you add that GST on fuel, it is approaching \$1 billion. It is an extraordinary tax take.

Of course, there have been increases in fees and charges, including the emergency services levy, the River Murray licences and natural resource management fees, supply charges for water, River Murray levies, speeding fines and motor vehicle registrations. I heard the Treasurer tell radio 5AA the day after the budget that he had moderately increased these charges to match inflation. I do not call 8 per cent inflation, and I do not call 20 per cent increases in some speeding fines inflation. It was a blatant furphy, it was untrue and it was a misrepresentation of the reality of this budget. Stamp duty on motor vehicles in South Australia compared to other states puts us at an extraordinary disadvantage. Sir, I seek leave to insert table 11.

Leave granted.

Stamp duty on motor vehicles valued at \$40 000  
(Private vehicles for passengers)

SA	Vic.	NSW	Qld	WA	Tas.
\$1 540	\$1 000	\$1 200	\$800	\$2 600	\$1 600

**Mr HAMILTON-SMITH:** At a glance, one can see that stamp duty on a new car costs hundreds and hundreds of dollars more here than across the border in Victoria. How would the proprietor of a motor car sales business in Mount Gambier feel, knowing that people can drive across the border to Portland and save \$540 by buying their new car there? How would that make you feel? The government needs to go and talk to some of these business proprietors.

I have mentioned the GST. GST grant revenues over the last 11 years now sit (and this is a striking figure) at \$37.7 billion. That is how much this government has made in GST. Remember, this Premier and this Treasurer opposed the GST. They did not want the GST; they thought it was terrible. However, they are now madly shovelling \$37 billion of it into their pockets. Do not get between the Premier and the Treasurer and a bucket of GST money: you will get trampled in the rush. They love the GST. It is another example of flawed fiscal planning, poor money management and a lack of knowledge on the part of this leadership group within this government. Sir, I seek leave to insert table 12.

Leave granted.

GST collections  
\$ millions

Source: State and federal budget papers

2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	Total 11 years
2 278.9	2 476.6	2 859.1	3 146.4	3 293.3	3 441.7	3 590.8	3 854.6	4 075.3	4 294.4	4 460.3	37 771.4

**Mr HAMILTON-SMITH:** The GST windfall gain from tax reform is now \$1.5 billion. This is an important distinction. That is that component part of the larger amount that is

above and beyond what was ever dreamt of. That is the component part of the GST revenue that no-one ever thought we would receive. Sir, I seek leave to insert table 13.

Leave granted.

GST gains from tax reform—amounts received over and above the guaranteed minimum amount  
\$ millions

Source: State and federal budget papers

2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	Total 11 years
0	0	0	99.3	175.2	174.4	168	212	230	224	237	1 519.9

**Mr HAMILTON-SMITH:** The Treasurer has woken up and found that, for example, by 2010 he will have an extra \$237 million to spend that he never planned on: \$1.519 billion extra. The government tells us that times are tough; that it has to increase taxes; that schools, for example, have to pay for their own WorkCover protection; and that it cannot afford to fund disability services (and I will come to that in a moment).

**Mr Williams:** It was going to build better schools and have more teachers.

**Mr HAMILTON-SMITH:** Yes, I remember the pledge card and all the promises. The government has the money: it just has not delivered on the promises. This budget, as I have mentioned, is a budget of delay. Every significant infrastructure announcement is 10 years away. We are told that we will get a new hospital in nine to 10 years. We will possibly get an enhancement of the Mount Bold reservoir in 10 years' time—and, of course, that is after we complete yet another study; yet another review.

**An honourable member:** We'll have no water to put in it!

**Mr HAMILTON-SMITH:** Yes, there will be no water to put in it. But in 10 years' time do not worry: it will all be there. There is an absence of initiatives with respect to the electrification of rail and new major road developments, such as Highway One from Port Wakefield to Port Augusta, to support our mining industries, and the Dukes Highway from Taillem Bend to the Victorian border. There was no mention of those visionary infrastructure projects. All those are at least 10 years away and possibly more.

As to water infrastructure, we have pushed off action on desalination with yet another review. There is nothing for stormwater reuse and waste water capture and reuse. Many of these investments are 10 years away—if ever. We are in the middle of one of the worst water crises—probably the worst water crisis—this nation has ever experienced, yet the Premier and the Treasurer refuse to take it seriously. They refuse to build the infrastructure. Other states saw what was coming and had the foresight to predict it. They understood we had a drought many years ago and understood that water restrictions (which, I hasten to remind the house, were introduced many years ago) foreshadowed the need to build infrastructure.

We need not have the water restrictions we are now facing. Our food producers in the Riverland need not face ruin, but they do face ruin and we do face extraordinary water restrictions, all of which could have been avoided had this government invested funds in desalination, in stormwater capture and reuse and in waste water recycling. In an average year, more water flows out into Gulf St Vincent from stormwater than we draw down from the River Murray. It flows out and is wasted. This government should be ashamed

of its lack of action on water. It leaves us extraordinarily exposed.

All these things that are so necessary will not be happening for 10 years. You might think of this budget as being even better than a Harvey Norman budget when it comes to infrastructure: there is no interest, there is no deposit and there is nothing to pay for or deliver for 10 years. Importantly, the difference is that you will not even get the goods for 10 years. That is the catch, and that is where they have to play catch-up with Harvey Norman: the government is not delivering the goods either.

Distressingly, this budget has done little in real terms for health and disability. The budget presents health as its centrepiece, but there are serious questions about whether the announcements made will genuinely benefit the sick, the frail and the disabled in a timely and sustainable way. Labor has completely abandoned its three key strategic documents in regard to health. Nowhere in the 2004 State Strategic Plan, in the 2005-15 State Infrastructure Plan, or in the 2003 Generational Health Review by Mr Menadue, will you find mention of the need for a new \$1.7 billion hospital in City West. Somehow or other it was just forgotten about.

They said, 'We'll have a State Strategic Plan, we'll have an infrastructure division, we'll do a Generational Health Review, and we'll map out a pathway for 20 years.' Of course, there was no \$1.7 billion hospital, but they said, 'Gee, we'll just flash one out.' It bears a striking resemblance to the \$30 million tramline along King William Street and down North Terrace. That was not in the State Infrastructure Plan or the State Strategic Plan. I think that it was scribbled out on the back of an envelope over a cappuccino in Oregon, USA, during one of the Premier's overseas trips. Now we know what was on the other side of the envelope: 'Let's have a \$1.7 billion hospital.'

The Generational Health Review was touted as the government's centrepiece on strategic guidance on health. It called for the provision of services close to home and a shift in focus from institutions to the health of populations where they live. It talked about primary health care. It talked about getting health services to where they were needed. It talked about decentralisation. It was touted by the government as a blueprint plan to transform and rebuild South Australia's hospitals and health care system over 20 years. It did not call for a \$1.7 billion hospital. It did not call for the closure of birthing services at Modbury Hospital. It did not call for the Queen Elizabeth Hospital to be stripped of its renal unit, or for health funding to be stripped from regional communities. It did not call for any of those things in the Generational Health Review, but that is what this budget has done.

The government's plan titled South Australia's Health Care Plan 2007-2016, which was released just last week with a new argument for a new hospital—a complete departure from the Menadue Generational Health Review—took many

in the health community by shock and surprise. Indeed, I have to say it was shock and awe! It completely spoilt and dismissed the work done by the member for Elizabeth when she was the health minister working assiduously on implementing the Generational Health Review. We had the revelation at the AMA dinner that it was cooked up—we are not quite sure when, but we know the ALP health policy was cooked up behind closed doors three months before the last election—by minister Hill and Dr Cain of the AMA. I wonder in which room behind which closed door this proposal for the new hospital was cooked up, and when. It is clear the plan to build a new \$1.7 billion hospital at the rail yards, as I have said, has been scribbled out on the back of an envelope.

How do you plan a health system when you completely ignore your own strategic guidance? The obvious question is: why have these strategic planning documents if they are to be ignored? Why is the government doing things that are totally at odds with its own strategic guidelines? In health, it is not about what you are spending: it is about the health outcomes you are delivering to people's lives. The State of Public Hospitals Report 2006 nevertheless lists South Australia as seventh of all states and territories in per capita spending on public hospitals in 2004-05. We are at the bottom of the list.

But the productivity report on government services 2007 states that during 2004-05 unplanned readmission rates in South Australia are the highest in the nation, at 4.8 per cent compared with 2.8 per cent. According to the Australian Institute of Health and Welfare report 2007 released in just May this year, South Australia is the second worst of all states and below the national average in four of the five triage categories. Only 69 per cent of patients in the emergency category were seen on time, while only 56 per cent of urgent patients and 85 per cent of non-urgent patients were seen on time.

South Australia is the worst performing state when it comes to elective surgery, according to the Australian

Institute of Health and Welfare report 2007. South Australia is the worst performing state when it comes to elective surgery. South Australia is undertaking fewer elective surgery procedures—just short of 36 000 in 2005-06, 800 fewer than in 2004-05. We are in need of general elective surgery operations such as hysterectomy, prostatectomy and varicose vein stripping, which are subject to the longest waiting times. South Australians who are waiting on elective surgery would, on average, have to wait just half the time if they lived in Queensland. The wait for cardiac surgery here is 18 days, while in Queensland it is seven days. Ear, nose and throat surgery is a 46 day wait compared to just 20 days in Queensland. Orthopaedic surgery incurs a 77 day wait in South Australia, while in Queensland patients are waiting just 23 days.

The government's own February 2007 elective surgery update on its DHS website shows 1 085 patients waiting more than 12 months. This is an increase of 21 per cent of patients waiting since June 2006. Some 131 patients are waiting more than two years for elective surgery. Average waiting times for elective surgery are as follows. For category 1, when we were in government in 2001 it was 10 days, now it is 14 days; in category 2, in 2001, you waited 38 days, now it is 67 days; and in category 3, in 2001 you waited 54 days, now it is 99 days. Do not lecture the Liberals on how to run a health system! Labor bankrupted the state. It left us with no money yet we still delivered better health outcomes than the government is delivering today—and it is awash with money. The government wants to build a new hospital and drain resources out of the very areas that would solve these problems with a bricks and concrete monument. We want to deliver better health outcomes to all South Australians—and I will get back to that point later.

I now move to education, because in education in the 2006-07 budget we see delivered cuts of over \$170 million over four years. I seek leave to insert table 14 into *Hansard*.

Leave granted.

Department for Education and Children's Services  
State budget 2006-07—Budget cuts

	2006-07 Budget \$ million	2008-09 Estimate \$ million	2008-09 Estimate \$ million	2009-10 Estimate \$ million
Savings initiatives				
Education works—operational efficiencies from new investment	-	4 689	10 953	16 072
Efficiency dividend	3 522	7 124	10 807	14 573
Energy efficiency measures	-	750	1 800	1 800
Interest—remove benefit of earnings on unspent state funds	-	3 083	7 400	7 400
Small programs—efficiencies	1 750	4 200	4 783	5 600
Grant payments to schools—review	833	2 000	2 000	2 000
State and district office efficiencies	3 000	4 000	5 000	5 000
Unattached teachers—school funding	-	2 917	7 000	7 000
Water efficiency measures	-	292	700	700
Workers compensation—school management	-	2 917	7 000	7 000

**Mr HAMILTON-SMITH:** Budget cuts announced in previous years are still being implemented, including \$17 million in cuts to the small schools program, \$6.8 million in grant payments to schools and \$16.9 million in savings by schools taking over the management of their own workers compensation obligations. This is the ultimate disgrace. A Labor government is unwilling to provide for the occupational health and safety needs of its teachers or provide for their WorkCover and is demanding that families, parents and

school communities pay. It is a disgrace. A Liberal government will reverse that decision. There is some \$17 million in savings from the restructure of districts and central offices, \$16.9 million by redeploying teachers, \$36 million in cuts in efficiency dividend targets, and \$17.9 million from the removal of interest on unspent state funds.

As the shadow minister for education said in this morning's *Advertiser*: welcome to Labor's education revolution! What a great job they are doing at a federal and

state level. Again, the point about this budget that this government does not get is that it is about productivity. It is not about how much you spend but, rather, how well you spend it. The 2005 national report on schooling in Australia shows that our year 3 students are below the national average in reading, writing and numeracy, and in regional South Australia our students are below our flagging state average. We are not getting the results we were promised; that is the truth in education.

Let me talk about law and order; let me talk about bikie clubs ruling our city. They are gunning down people in the streets of Adelaide outside clubs. We had another tragic bikie-related shooting in Melbourne just yesterday. But four people were shot down here. They are running an elaborate drug and amphetamine empire, replete with distribution outlets throughout our clubs and hotels. Bikie organised crime and protection rackets permeate the city of Adelaide. We were told that Premier Mike Rann would fix it. Remember the imagery at the last election? There were going to be 100 bikies on Harley Davidsons charging forward and over there would be the Premier on a white charger, shining in armour with a lance under his arm. He was going to slay the bikies. We were going to bulldoze the bikie fortresses and wreck their structures and run them out of town. The problem is worse than it has ever been, and this budget does nothing to solve the problem. This budget does nothing to focus on the things that are concerning ordinary South Australians when it comes to their protection at home, their safety and security.

However, I will tell members what they are doing. They are denying funds in this budget for the Office of the DPP. They are denying the independent Office of the DPP. I think it is only \$3 million that he needs to hire another 30 prosecutors. We have an unseemly ongoing spat between the Premier, the Attorney and the DPP—a most unedifying spat. The problem the Premier and the Attorney have is that they hired Eliot Ness to come out here to identify and hunt down the bad guys. Well, it did not take him long to work out who the bad guys were! He seems to have sorted that out and he is wanting to get them out of the way so that he can track down the real villains—the paedophiles, the petty thieves, the murderers, the criminals and the bikies—but they will not give him the money to do it. He needs \$3 million to hire the 30 prosecutors he needs to get file loads down from around 50 per prosecutor—in some cases up to 100—to something like the case of New South Wales where your average prosecutor has 15 to 25 case files on his desk. That is the difference: 15 to 25 case files in New South Wales—anything between 50 to 100 here.

I just say to the government backbench that for \$3 million we could have an effective prosecutorial service. There is another agenda going on here between the Premier, the Attorney and the Office of the DPP. For some reason, this Labor government does not like independent DPPs. It did not like an independent DPP when Ralph Clarke was committed for trial over the Pringle matter. It did not like an independent DPP when the Ashbourne corruption case was committed to trial. It did not like an independent DPP when Wendy Abraham QC expressed her extreme concern that the Premier and the Attorney failed to report to police immediately on becoming aware of the Ashbourne corruption allegations. It did not like that comment in a parliamentary select committee from an independent DPP and, strangely enough, it now does not like this independent DPP.

Who will keep the ministers, the government, those in government and those government officers honest if we do not have an independent DPP? What is this agenda? I say to the government that it is a disgrace that that \$3 million has not been provided to the DPP, and it raises serious questions about the character of this government. Even in Western Australia and Victoria, prosecutors handle only 20 to 30 files per officer. Labor tries to misrepresent Mr Pallaras again and again. I last heard the Attorney saying on radio words like ‘well, the Liberals and Mr Pallaras say’. Let me assure government members that this side of the house has the utmost respect for the DPP, Mr Pallaras. He has no connections to our side of politics and he has always conducted himself with the utmost integrity and forthrightness in everything he has done. He expresses his views on his own account on behalf of the Office of the DPP and in the best interest of our judicial system, and he does so in a non-partisan way, as we would expect every independent statutory officer to do.

To try to diminish him is wrong from an Attorney who should be upholding his office. He is fighting for justice to be done. What is the Attorney (Hon. Mr Atkinson) fighting for—because the DPP has made it clear that paedophiles and villains are walking free or not being prosecuted because of the lack of resources in his office. That blame sits with the Premier and the Attorney. The so-called Gang of 49 are terrorising the streets of Adelaide. There are new victims every day and the police and judicial system seem unable to cope, despite their best efforts. Documents and property are disappearing from police vehicles. The results simply are not there. This budget fails to fund them.

When one looks at bail, one sees offenders being released on bail time and time again. The police then have to go out and round them up. No sooner are they locked up, they are back out on our streets. By the Attorney-General's own admission, our prisons are inadequate. We do not have enough gaols, and the privatised gaol the government is planning to build is anywhere from five to 10 years away. It is part of the Harvey Norman budget on infrastructure.

The budget delivers nothing for law and order. Police recruiting is not keeping pace with the ageing workforce—41.5 per cent of SAPOL employees are aged 40 to 54. There is no accounting for natural attrition in the period leading up to 2010. An additional 400 police officers will not necessarily cover this figure, let alone increase the total number. The Recruit 400 program is severely under budget for the first year—an underspend of \$1.7 million. There is no increase in the number of budgeted hours of legal services for either in-house or outposted lawyers in spite of both having well exceeded budget last year. For crime prevention, the overall budget, including employee benefits and costs, has been cut from \$1.87 million to \$1.86 million, in spite of actual costs blowing out in 2006-07.

What are the main points one could discern from this budget? What does the budget tell us about this Labor government? In my view, Premier Rann has made five major mistakes in this budget.

*Members interjecting:*

**Mr HAMILTON-SMITH:** I hear other suggestions of mistakes coming forward from the floor. Mistake No. 1: he is ignoring his own strategic guidance. Labor, under Premier Rann, has failed to follow its own strategic guidance. We have the glossy plans, we have the summits, we carry out the consultation, we produce the glossy brochure, and then we throw it in the bin. What we do is build tramlines down King

William Street and North Adelaide that appear nowhere. We propose a \$1.7 billion Taj Mahal down at City West, which has come from nowhere. When you ignore your own strategic guidance, you make a huge mistake.

Mistake No. 2 from this government is its loss of fiscal control. This budget represents a turning point. The Premier and the Treasurer have changed the fiscal direction of this government by steering towards debt and unfunded liabilities and away from surplus-driven growth. They have dived headfirst into the barrel of debt, and they are scooping the money out as quickly as they can grab the cash. Compare that—as I mentioned earlier—to the performance of the federal Liberal government, which, in these same buoyant times, is staying right away from that debt, cutting taxes and providing funds for the future.

The third mistake of this Rann government is that it is simply not getting results. Mike Rann and Kevin Foley made the mistake of believing that productivity can be measured by spending. Spending does not equal success. Wasteful spending equals defeat and failure. Labor measures its achievements by how much it spends rather than the results it gets. Labor thinks that if it spends more on health it is getting better results. Labor thinks that by spending more on law and order and education, we are living in a safer and better-educated community. Labor does not understand how to measure success or productivity. Mike Rann does not understand how to measure results. How can he claim he will get them? Health services, education and law and order are all in decline, and have been during the period of these past six budgets. Mike Rann does not get it on getting results.

Mistake No. 4 is that this Labor government is losing touch. Labor has abandoned its so-called heartland. With this budget, Rann Labor has deserted the mentally ill, the disabled, teachers, nurses, doctors, as well as families. The nurses are out there right now threatening to strike over pay and conditions. Mike Rann is also about to turn his back on workers with cuts he plans to make after the federal election to workers' entitlements under WorkCover.

The budget does little to define what it is that will become Labor's legacy. It is deserting its heartland and losing touch. You ask yourself what Labor stands for, how will we remember it? Certainly country people have been neglected; the country-city divide under this Rann Labor government is more enormous than ever, with rural health services striped, regional infrastructure in decline and our food producers facing zero water allocations.

Mistake No. 5 of this Labor government is broken promises. Mike Rann pledged to South Australians back in 2002:

Privatisations in South Australia will end from day one of a Labor government. Not one public hospital will be privatised or closed under Labor in the country or city. There will be no sale of our TAFEs, our Lotteries Commission or our Housing Trust, our prisons, or our forests. A Labor government will review all of the Liberal's privatisation and outsourcing contracts.

We remember the pledge card. Well, Mike Rann railed against the outsourced bus contracts, but then he renewed them. He railed against any suggestion that we would outsource any part of our Housing Trust, but he plans to sell swags of it. Mike Rann refuses to rule out the resigning of the United Water contract. I asked him the question in parliament, but he would not answer it—he flicked it to the water minister and she refused to answer. It looks as though we will renew the United Water contract.

Mike Rann railed against the lease of ETSA. Remember they were against privatisation but, although huge slices of our energy assets have been up for sale on numerous occasions over the past five years, he has shown no interest whatsoever in reacquiring them. I have not seen a budget that shows a rush to the bank to reborrow the debt we got rid of when in government to buy back those assets because it is so important that they be privately owned. Suddenly he has no enthusiasm for making sure that power arrives on time, that there are no power interruptions and that our future power needs are met.

What is the reason for this change of heart on privatisation? Well, it seems that Mike Rann loves privatisation. He has privatised the world since coming to office and the \$1.7 million hospital he plans to build is nothing more than another privatisation dressed up as a PPP. Yet Mike Rann pledged—and I remember these words: 'Not one public hospital will be privatised or closed under Labor in the country or city.'

The \$216 million super schools will largely be funded by \$134 million of private investment. The schools will be owned by the private sector. Mike Rann is closing publicly owned schools, flogging off the land and assets, and building new privately-owned schools called super schools, owned by Macquarie Bank and other faceless bankers in Sydney, Melbourne and New York. The \$600 million privatisation of our detention facilities is underway, including the \$315 million prison at Mobilong, a \$96 million new women's prison, a \$79 million youth detention centre and a \$27 million prerelease centre—all further examples of Labor's privatisation.

Labor has lied and its mouthpiece is Labor's leader. What is to be done? There are five actions flowing from this budget that we on this side of the house believe should be taken. Action No. 1: public sector reform and cutting waste. This is a difficult issue. The budget says nothing about making government more efficient. It confirms that Labor has accidentally grown the size of government by more than 10 000 employees, without explaining how that growth will be contained. In fact, I can inform the house that the budget reveals that since this government came to office there are 12 065 new government employees, but the government only budgeted for 1 971—a slight oversight. I seek leave to insert in *Hansard* without my reading it a statistical table.

Leave granted.

Public servant numbers as per budget papers			
Budget papers	Budgeted increase	Actual increase	Blowout
2002-03	337	4 184	3 847
2003-04	-281	345	626
2004-05	610	2 380	1 770
2005-06	469	1 976	1 507
2006-07	836	3 180	2 344
Total	1 971	12 065	10 094

**Mr HAMILTON-SMITH:** Imagine running a business or a farm and waking up one morning to find out that you had accidentally hired 10 000 more farmhands than you thought you had planned to hire. Imagine running a factory somewhere—perhaps you are a husband-and-wife team—and your wife comes in and says, 'Sorry, Darling, I've hired an extra 10 100 employees; I forgot to tell you,' or imagine the bank ringing you and saying, 'Look, about this \$1 billion overdraft, did you notice that you have hired an extra 10 000 people?' to which you reply, 'Oh, sorry, I didn't notice. How did that happen? I'll quickly go check.'



Public sector reform is not touched in this budget. Making government more efficient has been flagged by Business SA and other leading commentators as a leading challenge, but this budget is silent on the matter. A Liberal government would not have shirked on this challenge. We need to find a way to make government more efficient going forward into the future.

Action No. 2, something else which has been neglected in this budget, has to do with innovation, science, entrepreneurship and venture capital. Science and innovation have been neglected in this budget, though herein lies a way of rescuing our beleaguered manufacturing sector and our primary industries. We cannot compete with China on the cost factors of production alone. We are smart and savvy in South Australia but, in order to succeed, our businesses must be producing the next generation of products on an ongoing basis.

Whether those products are wine, agriculture or grains, or whether they are defence products, IT, biotechnology innovations or multimedia, we need to be at the cutting edge. This will require a completely new paradigm and a new form of intellectual infrastructure that the Rann Labor government has failed to construct. Forging the necessary structures and relationships to lead science, industry and manufacturing costs little but delivers disproportionate benefits. Science is a glaring omission in Labor's six budgets, and we will fix that mistake.

Action No. 3 is sustainability. Planning for an economic downturn and a change in climate are two great challenges. Diversification and resilience, in both economic and environmental terms, are essential for South Australia's future. The environment and the economy are linked at the hip. Despite flowery words on climate change, this budget invests little in diversifying our energy sources. Mike Rann praises the need for nuclear energy, enrichment processing and converging, using our uranium anywhere in the world but here in South Australia. Here, he wants to try to run a scare campaign. He resists an informed debate. Mike Rann is awash with contradictions on nuclear energy, and he has no other solutions for how to clean up our energy production. The failure of this budget to deliver meaningful rather than symbolic investment on climate change is perhaps one of its most tragic omissions.

Action No. 4 relates to infrastructure and rebuilding. I announce today that we Liberals have better plans than Labor for the future. I move to the \$1.7 billion hospital plan for City West. We do not think that building a new hospital on the railyards in Adelaide's City West precinct at a cost of \$1.7 billion—and it will not be \$1.7 billion—is the best solution for South Australia's health needs. We were told the Northern Expressway would cost \$300 million. This Treasurer signed off on it, only to have to come back into the house to admit that it was nearly twice that at \$550 million.

Now we are being told that the hospital will be \$1.7 billion. Well, excuse me if I am a little cynical, but if it was double—like the Northern Expressway—it would be \$3.4 billion; if it was just 50 per cent more, it would be an extraordinary sum of over \$2 billion. We are told that it will be \$1.7 billion. On this side of the house, we believe there must be a new hospital but that it must be constructed elsewhere, preferably at the Royal Adelaide Hospital site (the RAH) at a cost confirmed by the Premier at between \$1 billion and \$1.4 billion.

That is what he told Triple M radio the morning after the budget. Clearly, the government has been given a range of

\$1 billion to \$1.4 billion. The Treasurer is talking up \$1.4 billion, but the Premier gave the game away—\$1 billion. In this way we can get a new first-class hospital, which is what we all seek, with the minimum of disruption and dislocation in the right spot, beside the IMVS (that centre of medical science) and beside the University of Adelaide, which is also vitally a part of the innovation, training, science and health care at the heart of the RAH.

Why would we take a teaching hospital away from the teachers? Why would we take a place of medical science away from the scientists? Whether we have Labor's proposed \$1.7 billion hospital in the City West or our more affordable hospital at the existing site, there will be disruption. Our plan for a new hospital delivers superior outcomes for health as a whole. Health service is not just about bricks and mortar. The \$300 million to \$700 million saved must be redirected to other hospitals for improved facilities and to providing more doctors, nurses and resources for elective surgery, as well as services across the health system.

By its own admission, the government says that we can rebuild the RAH for \$1.4 billion. It claims that its hospital will be \$1.7 billion—that is \$300 million. If we take the Premier's figure of \$1 billion, it is \$700 million. Somewhere in there is the answer—\$300 million to \$700 million would buy a lot of elective surgery and it would do a lot of rebuilding work at the QEH, Modbury, Lyell McEwin and Flinders hospitals and in our country hospitals. We want to see those savings support country and rural health and, as I mentioned, improve services at the Flinders, QEH and Lyell McEwin hospitals, and other hospitals.

Labor's proposal to build a new hospital at the rail site is an attempt to build a monument in a new location at an unnecessary cost. As I mentioned, it has come out of the blue. Labor's plan is about money and the media, not about saving lives or about a healthier South Australia. Let me talk about the City West railyard site. It is not the best site for a hospital, but it is a very exciting site. At the railyard site west of Morphett Bridge, we will seek to construct a better development which is more appropriate to the city and which returns land to the Parklands—far more land to the Parklands than is proposed if the RAH is demolished and a small parcel returned to the Botanic Gardens.

We want to see something built which brings the Torrens to North Terrace and which fits the long-term 20-year vision to enliven City West and the City of Adelaide to make it more interesting, exciting and sustainable. Our vision for the railyard site would see a period of up to six months community consultation, which would seek expressions of interest from community groups, local government, Parklands groups, business, tourism, sports, the arts and stakeholders across the board, as well as the university sector and the private sector for a joint venture to create a parkland space combined with restaurants, cafes and modest parkland-suitable developments between the University of SA site on North Terrace and the Torrens.

I know that consultation is an extraordinary idea, and the very thought of having a six-month period of public consultation must astonish the government, because clearly there has been no consultation with its proposals. We will do exactly that and see what the people of Adelaide think is the best use of this exciting City West site. We will seek expressions of interest from the private sector, as I mentioned, and from the public for proposals to develop the site at minimum cost once we have proceeded with the \$157 million remediation of the rail yards, which is already funded in the budget. In fact, that

work should be completed (assuming that it comes in on budget and on time) before the next election.

Our vision for the City West site could see it become the centre point for culture and life in Adelaide, with significant benefits for future generations. It could be the site for events already held in the Parklands, such as the Schutzenfest, Glendi, Cirque de Soleil, and a range of other community events, such as Sky Show, should it be recommissioned. It could be the gathering place that this city needs, which previous thinkers in residence have said we need, and it could be exciting for the Parklands as well as for the whole city. It is a better use of the site than to plonk a hospital there, which could easily be rebuilt at the RAH site and which would, in effect, rule out that site for any other development for decades to come.

Our plan is better than the Rann government's plan. Not only do we support the need for a new hospital but we also intend to deliver this modern, first-class, world cutting edge hospital, equal in every respect to the Rann Labor government's proposal, in the right location to replace the existing RAH, beside the university and the IMVS, where it belongs. We acknowledge that rebuilding an operating hospital is a challenge. However, it can be done. It has been done many times in Australia and around the world. It is what normally happens with urban rebuilds of hospitals in situ.

Not only will we rebuild this world-class hospital but we will also capture the opportunity to transform the rail yard site west of the Morphett Street bridge into a better, more appropriate development which adds value to the Parklands and which connects this wonderful part of the River Torrens to the city and creates opportunities for sustainable development and tourism, the arts and for a new renaissance in the west end of the city. How wonderful it would be for future generations if this precinct of parkland running along the Torrens was as vibrant and as wonderful as the precinct from the Morphett Street bridge going east in front of the Convention Centre, the Festival Centre and the Hyatt Hotel right through to North Terrace. It could be a very exciting development for the whole of the state of South Australia.

Of course, action number five is a genuine vision for the future. We state Liberals believe that governments should think 20 years ahead. We have called for a 20-year vision on infrastructure. We have called for long-term strategic thinking on health and education. We want South Australia to be a smart, savvy and sustainable state, where in 20 years' time our children can flourish. That is why this budget has failed. It is shallow, weak, short-sighted and misguided. It is designed around elections, not around our children or our grandchildren. It is unstatesmanlike and petty minded.

This budget shows that, after five years, the Rann Labor government is a tired government. It is too tired to secure our water supply for the future, to reform state taxes and charges or to tackle our transport and infrastructure problems. It is too tired to address our health problems and, therefore, it seeks expensive and elaborate solutions that could be solved by more simple, less expensive and more determined efforts. What this state does not need is more debt, more disappointment and more delay. It needs a Liberal Party vision: a vision of strength, a vision of security and a vision that provides for stability.

**Honourable members:** Hear, hear!

**The Hon. K.A. MAYWALD** secured the adjournment of the debate.

## STATUTES AMENDMENT (BUDGET 2007) BILL

Adjourned debate on second reading.  
(Continued from 7 June. Page 400.)

### **Mr HAMILTON-SMITH (Leader of the Opposition):**

I am happy to lead on this matter as shadow treasurer. The bill contains revenue measures that form part of the government's budget initiatives for 2007-08 and, in doing so, seeks to amend the Payroll Tax Act 1971 and the Land Tax Act 1936. I start with the payroll tax measures. The bill seeks to reduce the payroll tax rate from 5.5 per cent to 5.25 per cent for wages paid or payable on or after 1 July 2007. A further reduction to 5 per cent will apply to wages paid or payable on or after 1 July 2008. The budget papers show that these reductions will deliver payroll tax relief to business of \$37.6 million in 2007-08, increasing to \$96.7 million in 2010-11. We commend the government for the initiative, and we see that it has been well received by the business community. We regret that the threshold was not also reviewed, but we recognise that this is one good provision in the budget.

I move now to the land tax measures. I note that the bill also inserts anti-avoidance provisions into the Land Tax Act to address the practice where owners of more than one piece of land avoid paying higher marginal rates of land tax by structuring their ownerships so that other parties hold a similar minority interest in an individual piece of land, thereby creating different legal ownerships. The measures are intended to collect \$5 million per annum from 2008-09. I thank the Treasurer for making a briefing available on 14 June with advisers from the Department of Treasury and Finance, Revenue SA and the revenue and economics branch. At that briefing, I was advised that, although there is no requirement for the bill to be passed by 30 June, and that it is a budget bill, no consultation with third parties had taken place and the matter would proceed as soon as possible.

I will talk in a bit more detail about some of the payroll tax measures, because I note that the reduction from 5.5 to 5.25 per cent will have significant impacts not only on business but also on government. I noted with interest the revenue provisions from 2007-08 through to 2010-11 on a year-by-year basis. In the second reading explanation, the government advised:

South Australia's payroll tax rate will then be equal to Victoria's and second lowest to all states and territories.

In Budget Paper 1, the budget overview, I note the following:

This reduction will provide relief to 6 500 employers employing an estimated 370 000 South Australians.

I examined where we sit relative to other states. When one looks closely at our situation relative to other states and takes into account the threshold, one sees that we still have a fairly tough payroll tax regime when looked at in its entirety. I note that New South Wales will bring into place new provisions at some point in the future. However, of more concern is that South Australia continues, as I have mentioned, to have the lowest threshold of \$504 000.

One wonders whether it is in an effort to encourage the small and medium business sector that the smallest state, Tasmania, and the territories all have thresholds over \$1 million. Queensland I think is also at this level. The obvious deduction one draws is that, if you are a small business with a payroll of anywhere between \$504 000 and \$1 million, if your business was in Queensland you would not

be paying tax. That is a pretty significant observation. I note the Treasurer did not mention the number of businesses that have been caught up. I might ask him during the committee stage. Clearly, the policy reasoning for choosing to adjust the rate and not the threshold had to do with this revenue impact. Of more benefit to the 80 000 small and medium size businesses in South Australia who pay payroll tax might have been an increase in the threshold but, of course, changing the levy was a more acceptable way to do it.

Notwithstanding the relief that has been provided, payroll tax revenue estimates are still forecast to increase by 58 per cent over the life of the government. I note that by 2010-11 they will be \$947 million and that there are still significant increases planned from 2008-09 right through to 2010-11. I note that New South Wales and Victoria will implement harmonisation packages from 1 July 2007 and that Queensland is implementing a similar package from 1 July 2008 to ensure inter-jurisdictional consistency. The problem with payroll tax, as we all know, is that it is a bit like death duties when they were abolished by Joh Bjelke-Peterson: if one state goes too far, pretty soon the other states adjust their payroll tax levels and the market rectifies itself so that there is not a prolonged gap or separation. This is clearly an issue with tax planning and tax reform planning.

I have a series of questions I would seek answers to from the government. In the briefing we were advised that, if the threshold was lifted above \$500 000, 300 taxpayers would be removed from the net. I would like to explore that further with the Treasurer. I would like to know the policy reasoning for choosing to adjust just the rate and not the threshold and, if the threshold was lifted to \$550 000 from the existing threshold, what number of taxpayers would be removed, and what would be the per annum cost to revenue? Similarly, if the threshold was lifted to around \$650 000 from the existing threshold, what number of taxpayers would be removed, and what would be the per annum cost to revenue?

I am interested to know why the government delayed the implementation of the payroll tax harmonisation packages one year beyond the implementation in the two larger states, New South Wales and Victoria, and whether the government can confirm that Adelaide Zoo, the RSPCA, Greening Australia and the Animal Welfare League will continue to pay the tax. I would be interested to know what the cost to revenue per annum would be if each of these entities was exempt from payroll tax.

I will move on to the land tax measures, because the bill also inserts anti-avoidance provisions in the Land Tax Act to address the practice where owners of more than one piece of land avoid paying higher marginal rates of land tax via the aggregation provisions. By restructuring their ownership so that another party or parties hold a small minority interest in the individual piece of land, some landowners create differing legal ownerships. The proposed anti-avoidance measures, as I mentioned earlier, will enable the Commissioner to ignore any minority interests in land that are 5 per cent or less, unless the Commissioner is satisfied that there is no doubt that the interest was created solely for a purpose or entirely for purposes unrelated to reducing the land tax payable in respect of that, or any other piece of land. If there is a legitimate reason for placing any very small interest in the ownership of another person or entity, the parties will be able to satisfy the Commissioner of that fact.

Where a minority interest is greater than 5 per cent, the provision will not apply unless the Commissioner forms the opinion that the purpose or one of the purposes for which the

interest was created was to reduce land tax. The second reading explanation states that the government has no interest in attempting to aggregate holdings where there are legitimate reasons for holdings to be restructured or structured in that manner, and the placing of the onus on the Commissioner of State Taxation in circumstances where a majority is greater than 5 per cent may provide incentive for some taxpayers to increase the size of the existing minority interest. The government will be monitoring changes in minority interests and further action may be taken in the future. Equally, if the government receives advice from Revenue SA that other structures are being entered into, which have no purpose other than to avoid land tax, further action will be considered. The new provisions target ownership structured for the purpose of land tax avoidance and come into effect on 30 June 2008, effective for the 2008-09 land tax assessment year.

I note that the measures will collect about \$5 million a year, or \$15.4 million in the life of the budget. The Land Tax Reform Association, although it has not formally considered the changes, has advised us that it does not in any way support tax evasion and it understands and accepts the measures in the bill. We have consulted on the bill with a range of professional people, solicitors, accountants and others, and, so far, we have a number of questions we might ask in committee regarding detailed provisions. In essence, and following the briefing provided by the Treasurer to us on 13 June, we are fairly happy with the provisions contained in the bill and understand the reasons for them. Notwithstanding the fact that we have some questions we want answered, we are happy to support the measures, even though we foresee that some of the payroll tax provisions may finish up being retrospective.

**Mr GRIFFITHS (Goyder):** I wish to make a brief contribution on the payroll tax component of this bill. I regret that I could not attend the briefing, but as a regional member it is quite difficult to attend briefings which are arranged at short notice.

*Mr Koutsantonis interjecting:*

**Mr GRIFFITHS:** It is important to serve your constituents, as well. I acknowledge that the payroll tax changes are a positive. A reduction from 6 per cent in about 1993 down to 5.5 per cent has helped. The projection by the Treasurer to reduce it to 5.25 per cent on 1 July this year will save business \$37 million and it will certainly assist them, as will the reduction in July 2008 down to 5 per cent, costing in total over the forward estimate period something like \$340 million. It is obvious to me from the businesses to which I talk that the threshold is still too low. That is the big thing. That is where South Australia is struggling to be competitive in the consideration of the threshold figure. The policy position we took to the 2006 election was that we would increase the threshold to try to make it more realistic so that it kept up with inflationary growth in wages over the past few years and to give small business an opportunity to consolidate itself, not continually paying out taxation and reducing its chance to be profitable.

Our call has since been supported by Business SA in the very detailed documents it provided to all members of parliament probably about a month ago. I think we have to consider this issue. South Australia has the lowest threshold and I question whether we are becoming even more uncompetitive on a national scale. The shadow treasurer has commented about the position in Queensland where the threshold is \$1 million. We all acknowledge that the growth

in population in Queensland has occurred because people are drawn for a lot of reasons, be it the warmer climate or the opportunity to live in an area where they have the provision of every service available from a government that invests significantly in infrastructure. But, importantly, it is drawing population and business establishments there. South Australia's economy is built upon small to medium sized businesses. If people can establish a business in Queensland and not have to pay payroll tax until they meet \$1 million in payroll payments per year, yet businesses in South Australia must pay payroll tax when they meet \$504 000, how does this encourage people who are debating where they should establish a business, on the assumption that the markets that they are trying to serve are equal?

South Australia has to consider this, and we think that the government has made a mistake on this. Even with these changes and the lost revenue of about \$35 million this year, it is interesting to note that the budget figures still identify an increase in payroll tax revenues during the financial year—and I apologise if I have got the figures wrong, but I think it is \$843 million up to \$852 million and projected to increase further in future years—even with the lowering of the payroll tax rate again. It is important in recognising again that South Australia is made up of small to medium enterprises that we have to provide every possible incentive to small business. Payroll tax is an important part of that. Businesses want to be successful. They want to be able to control their business costs and they want to ensure that profitability is there for many years to come.

Small business creates opportunities for young people to gain employment. We have a chronically high youth unemployment rate, hovering continually around the 25 to 30 per cent mark. Small business provides them with opportunities to work. Let us be a little creative in what we do about payroll tax. We have considered what the rate is at the moment. The threshold is still to be resolved in the longer term, but what about bringing in some exemptions for young people or people who have been chronically unemployed for a certain amount of time and who have a chance to return to the workforce in that their employer receives some incentive financially by not being responsible for payroll tax costs?

**Mrs GERAGHTY:** Mr Speaker, I draw your attention to the state of the house.

*A quorum having been formed:*

**The Hon. K.O. FOLEY (Treasurer):** I thank opposition members for their comments.

Bill read a second time.

In committee.

Clauses 1 to 3 passed.

Clause 4.

**Mr HAMILTON-SMITH:** This clause has to do with the levy rates that are going to apply. The committee wants to understand the reasoning behind the decision to cut the levy rate rather than the threshold. As we mentioned in the second reading, we welcome the decision; it is one of the strong points of the budget. I am just trying to work out why the Treasurer chose the levy rate and not the threshold, and what the threshold would have needed to be to forgo the same amount of revenue.

**The Hon. K.O. FOLEY:** Unfortunately I do not have the briefing with me that will enable me to give the Leader the figure, but I will come back to him as soon as I can. I apologise to the committee for not being properly prepared for this. The decision process was that we decided that we

wanted to give payroll tax relief, we wanted to get our rate down to as close as we could to that of Victoria, and we had a rough idea of the quantum of money. What we asked with all of these decisions as to whether or not we should cut the payroll tax, bearing in mind that this is the second time the government has done that—was: do we lift the threshold or cut the rate? It really is a matter of fine judgment. We took the view that we did not have enough capacity within the budget to both cut the rate to that of Victoria and bring the threshold up to that of Victoria. We accepted the fact that our payroll in South Australia is lower, on average, from those of the eastern seaboard, so there was a consistency—a logic—for not lifting the threshold. We decided that it would be better to make sure we got that headline rate down to that of Victoria.

I will come back to the committee with the exact figure for the cost differential in lifting the threshold to that of Victoria. I think it is about \$8 million or \$10 million, but I might be wrong, so I will come back to the honourable member with that number. It was a fine judgment call. There is no right or wrong answer in all of this, and I accept that there are sound arguments to lift the threshold, but I thought it was more important to get the headline rate down to that of Victoria.

**Mr HAMILTON-SMITH:** Between the houses, will the Treasurer advise us what the threshold would need to have been to forgo the same amount of revenue?

**The Hon. K.O. FOLEY:** Yes.

Clause passed.

Clause 5 passed.

Clause 6.

**Mr HAMILTON-SMITH:** I have just a couple of issues with clause 6. Will it be possible for the provisions of new section 13A inserted by clause 6 to be used by the commissioner to permit retrospective or amended assessments for past periods; in other words, to go further back? In our consultations with stakeholders, the question was raised that, if this was the case, it would be of concern on the basis that it might be unfair and inequitable. People are entitled to restructure their affairs based on the law as it stands, so I am seeking clarification on the degree of retrospectivity.

**The Hon. K.O. FOLEY:** Unfortunately I do not have an adviser with me, so I stand to be corrected if anything I say here is wrong—and I do apologise to the leader—but this amendment is designed to be prospective, not retrospective. However, if any elements of what I say here need to be corrected, I will have that corrected between the houses.

**Mr HAMILTON-SMITH:** Perhaps we will look at it between the houses. There are concerns about the way the clause is worded as it might create some unintended consequences. I will move on to my second question. Will the decisions of the commissioner under new section 13A be subject to any form of review, such as an objection or a judicial review? If they are not subject to any sort of review, perhaps they should be. There is a question as to whether or not it makes sense for the commissioner to have to issue a notice under new section 13A(7) or (8), and whether it would be preferable that it be linked to the review process of the Taxation Administration Act.

**The Hon. K.O. FOLEY:** Again, I apologise to the leader for not having an adviser with me. I will take the question on notice and provide the leader with a full briefing and, if need be, a meeting with the Tax Commissioner and me to help clarify that.

**Mr HAMILTON-SMITH:** In new section 13A(2) I see the words 'is satisfied there is no doubt'. I raise concerns

about them in the context of taxation law. I have had some advice that ordinarily litigation in taxation matters is based on the civil level of proof being 'on the balance of probabilities'. The bill seems to take the level of proof beyond even a criminal level of proof, which is 'beyond reasonable doubt'. The bill requires 'no doubt' in the mind of the commissioner. I am curious to know how a taxpayer might prove otherwise. There is a feeling that this section should be opposed, particularly in the absence of any legislative guidance as to what matters the commissioner should or should not consider. This position is totally objectionable or in conflict with the concept of open, fair and transparent legislation. Even with review provisions a court is duty bound to come back to the words of the legislation and would have no capacity for delivering a fair outcome. This is potentially a clause where we might seek to make changes in another place, depending on the answer that comes back.

**The Hon. K.O. FOLEY:** I am embarrassed that I do not have the proper advice here, and it really is not acceptable in terms of this house or the leader. I am happy to adjourn the bill and have my advisers with me and reconsider the bill later today or tomorrow if it will assist the leader. That would be a better way to deal with it, in fairness to the leader.

**Mr HAMILTON-SMITH:** I would be most grateful, if that is convenient for the Treasurer.

**The Hon. K.O. FOLEY:** I seek to report progress.

**The CHAIR:** I alert the Treasurer to the fact that we can only deal with clause 6 when we resume without a recision motion.

**The Hon. K.O. FOLEY:** I will answer any questions the leader puts to me and will find a reference point back.

Progress reported; committee to sit again.

#### APPROPRIATION BILL

Adjourned debate on second reading (resumed on motion).  
(Continued from page 410.)

**Dr McFETRIDGE (Morphett):** In the first budget speech I gave in this house I described it as the height of prestidigitiation—sleight of hand—and this is yet another case of continued prestidigitiation. I also said in my first budget speech that economists were only put on this earth to make meteorologists look good. I had to do penance at the bureau because of that, but with this budget the meteorologists have been put on this earth to make the economists look good—the other way around. The Premier has said that the 1 per cent growth in South Australia is due to the drought. We need rain; the government is praying for rain. The Premier is looking to the meteorologists to save South Australia, so let's hope their forecasts are as good as they normally are, because they do a very good job. That will get me out of another visit to the bureau!

This budget as a future document for South Australia is so disappointing. After I woke up on Friday 8 June, I picked up *The Advertiser* and turned to the *Business Journal* to see a photo of the Deputy Premier and his father Jack, a decent bloke (as is the Deputy Premier). The budget just leaves me cold. I read the comments in *The Advertiser*, and the very experienced columnist Greg Kelton gave it eight out of 10 and *Business SA* gave it a big tick. 'A terrific budget,' says Peter Vaughan from *Business SA*. Others gave it eight out of 10 for health, including a nurse. Where are the nurses today? Out on strike. I am not sure she would give it eight out of 10 today.

There was an analysis from the infrastructure people who gave it eight out of 10. Where is the infrastructure in this budget? We saw a pretty picture of a hospital that might be built in 10 years' time. It is just atrocious. Anna Vlach from *The Advertiser* gave it seven out of 10. I have spoken to Anna about some of the things that are not in this budget that should be in it. The only thing I can conclude is that these commentators—these people who should know better—must have been given a different set of documents to the ones I have. With the good advice I am getting from people who know far more about economics and budgets than I do, I cannot find all the good news in this budget. I rely on and trust my advisers, and I guarantee they are not giving it eight out of 10, as Greg Kelton and some of the others mentioned in *The Advertiser* have done.

A commuter by the name of Kath, an 18 year old from Warradale, who I assume is a student, gave the transport budget nine out of 10. Kath, I do not know whether you are studying economics at uni, but I ask you to contact my office. As a constituent at Warradale, I will give you the full drill on what is going on in transport and the commuter service in South Australia. I wonder what Kath thinks about the \$7 million the government is spending to move the Oaklands Railway Station 200 metres, which will not solve the bottleneck down there, because Kath from Warradale should know all about that.

The budget goes on and on. Health is a big ticket item in this budget. As I said, the nurse gave it eight out of 10. Where are the nurses today? They are going out on strike. They are delaying surgery because this government will not give them a fair go. The nurses in this state need a fair go because they do a fantastic job. So, they must have read a different set of documents.

Budget Paper 3 reveals the revenue this government is getting. Transport being one of my main portfolio responsibilities, I look at the poor old motor vehicle owners and drivers. Motor vehicle taxes in South Australia will amount to \$409 million this year, and the estimates for the next three years are: \$426 million in 2008-09; \$441 million in 2009-10; and \$458 million in 2010-11. If we add those up, that is about \$1.7 billion, which is the cost of the new hospital just in motor vehicle taxes alone. However, I do not think \$1.7 billion will be the actual cost of the new hospital because we know what this government has been like in costing infrastructure projects. Just look at the \$200 million blow-out in the Northern Expressway and the blow-out in the underpass, and look at what the government is having to do to patch up its mistake on South Road with a \$28 million tram bridge—\$28 million for a bridge 210 metres away from an underpass, not the kilometre the minister and his advisers are saying. The tram is only 600 metres away from South Road, for heaven's sake.

Let us go into the budget in a little more depth and see what is really happening. This budget is more about perceptions than reality. As the leader has said, it is about disappointment, delays and debt, debt, debt. There is going to be a huge increase in South Australia's debt: it is going to increase from 1.1 per cent of state product to about 10.1 per cent of state product. It will be in the billions of dollars and we will revisit 1992-93. It will be *deja vu* for this Premier and Treasurer because they have been there. The Premier had his feet under John Bannon's cabinet table and the Treasurer was there as an adviser. Let us hope the government is not employing people like Marcus Clarke (who the Premier thought was such a fantastic guy) to give it further advice.

This state needs better management than we have seen in the past, and it needs better management in the future.

The budget for transport and infrastructure is \$542 million over four years. It sounds great (over half a billion dollars over four years), but let us take out the commonwealth funding, the AusLink programs and the commonwealth grants programs. The total for the Department of Transport, Energy and Infrastructure work for 2007-08 (including federal funding) is \$427 million. The AusLink funding in there is \$194.7 million—nearly \$200 million. That is getting up towards half of that already. When one looks at the length of this budget (the four years, 2004-09) one wonders just what the feds are putting into South Australia. It could be more, and I have said that before. I think that we need more. We have more than our fair share of roads and infrastructure to look after. We do not get our fair share of federal funding, but we are seeing an underspend here by the state government. When it should have billions to put into infrastructure, we are getting fudges and those fudges are way out. There are delays, as well as disappointment and debt. We are getting nearly \$1 billion in the next four years from the federal government—\$967.5 million.

We have heard about the blow-out in the Public Service. I have no real beef with public servants doing their job. They do a good job, but you cannot expect not to have control over your workforce and just let it blow out in the way we have seen. The blow-out of full-time employees in the transport department is 1 012. Like other departments, very little is being expected of transport by way of savings because it just cannot cut to the bone any more than it has cut in the past. We will see shared service delivery as a part of this budget, and members should look at the Western Australian example of that. Read the *Public Service Review* about what could happen in the Public Service with shared service delivery. The costs will blow out as we have seen with every other project this government has touched.

Expenditure items in the budget amount to \$157 million over four years for the relocation of the rail yards, but only \$2 million is allocated in 2007-08. Let us look at the staff notice that was issued the next day to transport employees about the relocation of the rail yards. They intend to pull down the maintenance and storage depots at the rail yards if they get their way. They will then park them out at Gawler, Belair, Lonsdale and possibly Outer Harbor. They will refuel them down at Lonsdale. They will try to maintain them at Dry Creek. The problem is that new facilities will have to be built and the existing facilities will have to be extended in order to park the railcars, remembering that these old diesel railcars need to be serviced every three days. Every three days there will be dead running of the railcars from wherever they are to Dry Creek (that is if we can buy back some space from Queensland Rail which owns the rail yards at Dry Creek) so they can be serviced.

Not one extra railcar is provided for in the budget. There is no plan for upgrading the rail infrastructure to electrify it. There is no plan to replace the existing ageing railcars. Do members know what these railcars are called on the rail websites? They are called 'pox boxes'. What an atrocious name for these railcars, but when you get on them you cannot see out the windows because they are all clouded over and scratched. The seats are in disrepair and the doors fly open. We talk about unroadworthy cars in South Australia, but we have unroadworthy rail carriages, because this government has not planned for the future. It has not done anything about buying more railcars. We did not even get the old diesel

railcars that were on offer from Victorian country rail, because we cannot increase the frequency of trains in South Australia with the current track layout. For poor old train commuters, the only way we can increase the capacity—and we are not buying any more trains—is by buying extra trains and putting on extra carriages. We can increase the capacity that way. We do not see any plan for that whatsoever.

In 2011 (so, this is years into the future), the train controllers at the railyards will be shifted to the Adelaide Railway Station. They will displace the State Theatre Company and the Windmill Theatre Company, which will have to relocate. I hope that the Premier (who is also the Minister for the Arts) has done some planning and has some good news for the State Theatre Company and the world renowned Windmill Theatre Company about their relocation.

There will be \$115 million over four years to upgrade rail infrastructure. It sounds good. This is not new infrastructure and it is not a revitalisation of infrastructure, as stated in the staff notice with respect to the new sleepers that are to be put in on the Noarlunga line or the 6.5 kilometres of the 20-plus kilometres of the Belair line. So, not even the whole line will be done. This is not new infrastructure. They are going to put some old wooden sleepers on the 40 kilometres of the Gawler line and some old wooden bearers in the bridges. There is no new track and there will be no new trains to travel along that track, just as there will be no extension of that track.

It is an absolute travesty to try to portray the \$115 million that will be spent over the next four years as upgrading new rail infrastructure. It is not new and it is not upgrading. It is not even revitalising it: it is repairing it. The minister said that the trains will run six minutes faster. That just means that they might run on time because, when one looks at the unadjusted on-time running sheets of the trains that are on each of the tracks, one sees that there are significant delays. Only last week we saw some significant issues with respect to the signalling system.

Infrastructure is missing out sadly and badly in South Australia. There is just debt and delays. With respect to country rail, the member for Schubert will be interested to know that one of the best stretches of rail in South Australia is from Gawler to the Barossa Valley. Timetabling constructs were carried out to see whether they could get rail up and running there, but the government has wimped out on providing for country rail. There is nothing for public transport in the country in this budget. It is a disgrace.

We will see \$29.5 million spent over two years to fix rural and flood damaged roads. The money for that should have come out of contingencies. Floods and disasters will happen. Some \$6 million came out of last year's budget, anyway. Then there is the \$28 million over two years for the tram bridge on South Road. It is interesting to note that, when the chap in charge of the project gave a presentation to some of the oldies down there about the underpass two days before the budget on the Tuesday night, there was a computer visualised demo (which was fantastic) with sweeping views along South Road. However, what was missing two days before the budget? There was no tram overpass there: \$28 million for a tram overpass, 210 metres from where they are knocking over the last house—

**Mr Koutsantonis:** You called for it.

**Dr McFETRIDGE:** We called for a vision with respect to South Road and Anzac Highway. We looked at the tram aspect there, and we saw that people will come out of the underpass and stop at the tram. I am not an engineer or an economist, but we should not need to spend \$28 million on

patching up a mistake that was evident from the moment that thought was given to building an underpass at that location.

Some \$11.5 million is to be spent over four years on marine infrastructure. I hope that will fix some of the missing buoys and markers. We have seen some tragedies recently, both here and interstate. However, there is only \$1 million this year. We applaud the \$10.7 million over four years to be spent on driver rest areas. That is a real plus. We know that the truckies need it, and the RAA also applauded it. Then there is \$7.2 million for shoulder sealing. We do not know when or where, but we do know that AusLink—the feds—is providing some money for that. I hope that is not more hidden federal money being dressed up as state money. Some \$4 million is to be spent on overtaking lanes. We are getting only three overtaking lanes, and only two will be built this year. Nothing has been allocated in the forward years for overtaking lanes.

There is \$4.6 million to be spent on the state Black Spot program, which is \$498 000 less than the 2006-07 budget. Let us hope that that is because they are fixing the black spots. We are receiving \$2.5 million in federal black spot funding, which has been increased by \$1.69 million from last year—not decreased like state funding. The other expenditure that we have is for metropolitan road safety, which is a big loser in this budget. Only \$218 000 has been allocated. Fortunately, the government is spending \$4.3 million on rural road safety. That is where our country cousins are picking up one of the very small crumbs in this huge budget. This rich government is just handing out crumbs to our rural cousins.

The ticketing system on trains, buses and trams was due to be replaced years ago, but what do we see in this budget: \$400 000 for another review of the present system. There is no new plan, no new ideas and nothing to overcome where the government is losing money when people cheat and bludge by not paying their fares. If we had a decent ticketing system, we might catch those people.

Let us look at the greenhouse premier, the solar power premier: he is there when the sun shines but, when it gets a bit gloomy and stormy, he disappears and leaves the Treasurer to do the hard yards. In this budget, there is no funding for the green cycle path. Last year, there was \$500 000, but there is not a zack in this budget. Why is that? I await a response. We have seen blow-out after blow-out on major transport projects. Another \$50 million over two years has been allocated for the Northern Expressway, but not until 2009-10—so, right out there again. We have seen the blow-out of the Anzac Highway-South Road underpass. The Port Road-Grange underpass has been 'shuffled' out into the distance, and we are not sure when it will start. But, wait, one more underpass was announced with great flourish and fanfare by the Premier: the Sturt Road-South Road underpass. Last year's budget allocated \$4 million, but where is it this year? There is not one mention of it, so where has it gone? There is no long-term plan for transport—road, rail or public transport—in this budget by this government.

As for the Port River bridges, we saw the \$100 million blow-out because of a whim of the Treasurer in front of a public meeting. He wimped out and said, 'We'll have opening bridges.' Let us look at the federal Maritime Security Act. Commercial vessels over 500 tonnes will not come into Inner Harbor, nor will naval vessels. So, to keep the port open, the *One and All* will come in every now and again, but its base port is Port Augusta because it realises that it cannot get in and out when it wants to. The poor old *Failie* needs a hull transplant and is stuck in dry dock, and we will wait to

see what happens. However, \$100 million for a few rich people, with their rags and sticks at the Newport Quays development, to sail out a couple of times a day is a pretty dear boat ride as far as I am concerned.

I am a tram fan, but why would you stop the tramline at Morphett Road when you are going to spend \$1.7 billion on a hospital a couple of hundred metres further on? The lame and the crippled will have to walk the rest of the way. It is a good thing that it is downhill, because the wheelchairs will go downhill better. Why would you stop the tramline there if you had a real plan? There is no real plan. I do not believe that there was a real plan for this hospital. I think it is something that Jill Bottrall and the media unit made up a couple of months ago.

We need a plan, we need something out there, but there is absolutely nothing real. If they had any real ideas about health, they would have listened to the Menadue report, to the people, to the nurses and to those who are talking about primary health care. You would not reduce or centralise health care; you would spend the money where it is needed, that is, where the people are—out in the bush as well as in the city—and you would emphasise primary health care. You would keep people out of hospitals and not just build a monument to Mike down the road. Three storeys of the hospital will be underground, after you get through the PCBs, the lead, the arsenic and all the other diesel contaminants. What will you do with those? Look at the Islington railway yards and what it cost to clean those up. We look forward to seeing what answers we get from the government on the future of this plan; however, I do not think there really is a plan.

Costs and fees for vehicle owners and drivers have gone up way past inflation. The cost of multitrip tickets has gone up 7.9 per cent, which is far more than inflation in South Australia. The budget papers state that the inflation rate in South Australia is 1.8 per cent, but we see figures of 4.1 per cent, 3 per cent, and up to 20 per cent for speeding fines. I have no sympathy for those who speed, however. Do not speed, if you do not want to pay the fine. New heavy vehicle operator accreditation fees will pull in another \$450 000, and new vehicle inspection fees will pull in over \$3 million. The Metroticket concession changes will increase revenue by \$7.2 million. This high-taxing budget is just hit after hit.

The industry and trade budget is a big loser. We have a state that will rely on industry and trade as the driver of the economy. We cannot rely purely on manufacturing any more. We cannot compete with the Chinese and the Indians on the cost of manufacturing, so we will have to look for smart economies. But what do we see in this budget? Very little. There are minuscule amounts—a million dollars here and a couple of million dollars there, but not serious investment in industry and trade in South Australia.

In relation to science and information economy, there is some money for broadband strategy, but the Prime Minister has announced more. There is very little for arts in this budget. It will be such a shame if we do not see one of the experience industries (arts, tourism, sport and culture) built on, and we are not seeing it in this budget.

This budget is a disaster: it is delays, debts and a disappointment. The Premier has to remember what is on the monument at the site of the World Trade Centre, and that is: remember the past and look forward to the future—or words to that effect. We remember the past, and we remember the bank debt. We need now to look forward to the future; take

the opportunities you have, and take the money you have and manage it.

**The Hon. J.D. HILL** secured the adjournment of the debate.

*[Sitting suspended from 1.02 to 2 p.m.]*

### ASSENT TO BILLS

Her Excellency the Governor, by message, assented to the following bills:

Residential Parks,  
Statutes Amendment (Affordable Housing),  
Supply.

### QUESTIONS

**The SPEAKER:** I direct that written answers to questions, as detailed in the schedule I now table, be distributed and printed in *Hansard*.

### STORMWATER MANAGEMENT

In reply to **Mr HAMILTON-SMITH** (9 May 2006).

**The Hon. J.D. HILL:** The Minister for Environment and Conservation has been advised:

There are no legal grounds on which the Government could be found liable for not providing funding towards flood reparation in the Burnside area in November 2005. This advice was provided by SAICORP, the Government's insurance provider.

### CONSULTANTS AND CONTRACTORS

In reply to various members (Estimates Committees A and B).

**The Hon. M.D. RANN:** This question has been asked of various Ministers during the 2006 Estimates Committee.

The following information is provided on behalf of all Ministers:

I am advised that the Department of Premier and Cabinet Circulars PC013—Annual Reporting Requirements and PC027—Disclosure of Government Contracts covers all payments to consultants and large payments to contractors.

The Annual Report shows all payments to consultants and the nature of their work.

Contract Disclosure requires certain information about contracts to be published on the Tenders SA website:

- Contract title
- Contractor's details
- Start and end date of the contract
- Contract value
- Procurement process used

The Contract Disclosure requirements apply to all consultancy contracts (regardless of value) and other goods and services contracts where the value of the contract is more than \$500 000.

### PAPERS TABLED

The following papers were laid on the table:

By the Deputy Premier (Hon. K.O. Foley)—

Regulations under the following Acts—  
Firearms—Fees  
Mines and Works Inspection—Fees  
Mining—Fees  
Opal Mining—Fees  
Petroleum—Fees  
Summary Offences—Application Fee

By the Treasurer (Hon. K.O. Foley)—

Regulations under the following Acts—  
Land Tax—Fees  
Petroleum Products Regulation—Fees

By the Minister for Transport (Hon. P.F. Conlon)—

Regulations under the following Acts—  
Development—Fees

Goods Securities—Fees  
Harbors and Navigation—Fees  
Motor Vehicles—

Expiation Fees  
Fees

Passenger Transport—Fees

Road Traffic—

Expiation Fees  
Miscellaneous Fees

Rules—

Road Traffic—Mobile Phone Use

By the Minister for Infrastructure (Hon. P.F. Conlon)—

Regulations under the following Acts—  
Roads (Opening and Closing)—Fees  
Valuation of Land—Fees

By the Attorney-General (Hon. M.J. Atkinson)—

Terrorism (Preventative Detention) Act 2005—Report  
2005-06

Regulations under the following Acts—

Associations Incorporation—Fees  
Bills of Sales—Fees  
Births, Deaths and Marriages Registration—Fees  
Business Names—Fees  
Community Titles—Fees  
Co-operatives—Fees  
Coroners—Fees  
Cremation—Fees  
Criminal Law (Sentencing)—Fees  
District Court—Fees  
Environment, Resources and Development Court—  
Fees  
Fees Regulations—Fees  
Magistrates Court—Fees  
Partnership—Fees  
Public Trustee—Fees  
Real Property—

Fees

Land Division Fees

Registration of Deeds—Fees  
Security and Investigation Agents—Fees  
Sexual Reassignment—Fees  
Sheriff's—Fees  
Strata Titles—Fees  
Supreme Court—Fees  
Worker's Liens—Fees  
Youth Court—Fees

Rules of Court—

District Court—Child Sex Offenders  
Supreme Court—Child Sex Offenders

By the Minister for Health (Hon. J.D. Hill)—

Regulations under the following Acts—

Ambulance Services—Fees  
Botanic Gardens and State Herbarium—Fees  
Controlled Substances—Fees  
Controlled Substances—Pesticides Fees  
Crown Lands—Fees  
Environment Protection—Fees  
Environment Protection—Miscellaneous Fees  
Heritage Places—Fees  
Historic Shipwrecks—Fees  
National Parks and Wildlife—Fees  
National Parks and Wildlife—Hunting Fees  
Native Vegetation—Fees  
Natural Resources Management—

Council Levies

Differentiating Factors

Fees

Meter Fees

Prescribed Wells

Pastoral Land Management and Conservation—Fees

Prevention of Cruelty to Animals—Fees

Radiation Protection and Control—Fees

South Australian Health Commission Act 1976—

Fees

Miscellaneous Fees

Tobacco Products Regulation—Fees



Upper South East Dryland Salinity and Flood Management—Project Works Corridor

By the Minister for Industrial Relations (Hon. M.J. Wright)—

Regulations under the following Acts—  
 Dangerous Substances—Fees  
 Employment Agents Registration—Fees  
 Explosives—Fees  
 Explosives—Fireworks Fees  
 Explosives—Miscellaneous Fees  
 Fair Work—Fees  
 Fire and Emergency Services—Fees  
 Occupational Health, Safety and Welfare—Fees

By the Minister for Finance (Hon. M.J. Wright)—

Regulations under the following Acts—  
 Freedom of Information—Fees  
 State Records—Fees

By the Minister for Families and Communities (Hon. J.W. Weatherill)—

Regulations under the following Act—  
 Adoption—Fees

By the Minister for Housing (Hon. J.W. Weatherill)—

Regulations under the following Act—  
 Housing Improvement—Fees

By the Minister for Agriculture, Food and Fisheries (Hon. R.J. McEwen)—

Regulations under the following Acts—  
 Aquaculture—Fees  
 Barley Exporting—Advisory Committee  
 Branding of Pigs—Fees  
 Brands—Fees  
 Chicken Meat Industry—Fees  
 Fisheries—Fees  
 Livestock—Fees  
 Primary Produce (Food Safety Schemes)—Fees

By the Minister for Water Security (Hon. K.A. Maywald)—

Regulations under the following Acts—  
 Fees Regulations—Sewerage Fees  
 Sewerage—Fees  
 Waterworks—Fees

By the Minister for State/Local Government Relations (Hon. J.M. Rankine)—

Regulations under the following Acts—  
 Local Government—Fees  
 Private Parking Areas—Fees

By the Minister for Consumer Affairs (Hon. J.M. Rankine)—

Regulations under the following Acts—  
 Building Work Contractors—Fees  
 Conveyancers—Fees  
 Land Agents—Fees  
 Liquor Licensing—  
 Fees  
 Goolwa  
 Plumbers, Gas Fitters and Electricians—Fees  
 Second-hand Vehicle Dealers—Fees  
 Trade Measurement Administration—Fees  
 Travel Agents—Fees

By the Minister for Gambling (Hon. P. Caica)—

Regulations under the following Acts—  
 Authorised Betting Operations—Fees  
 Gaming Machines—Fees  
 Lottery and Gaming—Fees.

## HOSPITALS, NEW

**The Hon. K.O. FOLEY (Deputy Premier):** I seek leave to make a ministerial statement.

Leave granted.

**The Hon. K.O. FOLEY:** Over the past two weeks the government has outlined its bold plan to fundamentally reform the state's health sector, in particular the construction of the new \$1.7 billion central hospital. We have heard the cruel and personal attacks made by the Deputy Leader of the Opposition concerning the government's decision to name the hospital after our Governor, Her Excellency Marjorie Jackson-Nelson. But today we have further comments by the Leader of the Opposition that raise grave concerns. Today's *Advertiser* has reported that the Leader of the Opposition 'last night said any agreement signed by the government with the private sector before 2010 to build the "Marj" could be "commercially negotiated out of".' These seemingly innocuous comments have far-reaching and very serious impacts. Advice received this morning—

**Ms Chapman:** Only if you have done the deal.

**The Hon. K.O. FOLEY:** And we intend to have the deal done. Advice received this morning from the Department of Treasury and Finance confirms the gravity of the Leader of the Opposition's comments. The advice says that:

- Although in principle it is possible to terminate a contract, there would be significant cost to do so.

Further advice says:

- If there were—

*Ms Chapman interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** The advice continues:

- If there were uncertainty around the intentions of an incoming government it would be difficult to get consortiums to make serious bids in a tender process at the outset. This would impact on the competitiveness of bid prices and would negatively impact the quality of bids received, raising the overall cost of the project.

Treasury and Finance further advises:

- If the government withdrew during the request for proposal bidders would have detailed proposals at a cost in the millions of dollars each. All short-listed bidders would expect reimbursement.

Further advice from the Department of Treasury and Finance says:

- If a contract for the development has been finalised, [which it will be], the private sector contractor may also require compensation—

*Members interjecting:*

**The SPEAKER:** Order! The Deputy Premier has been given leave.

**The Hon. K.O. FOLEY:** Thank you, sir, I will start that quote again, given the Leader of the Opposition's comments have put the state at serious financial risk. I quote—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** The advice continues:

- If a contract for the development had been finalised, the private sector contractor may also require compensation for any consequential cost, which could include compensation for loss of profit. Although this would apply under any build model, under a PPP contract, this could include compensation for loss of profit over the entire concession period over and above loss of profit from the construction works. Again, the size of the compensation—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** The advice continues:

Again, the size of the compensation payment would be significant.

These comments by the leader this morning are irresponsible and reckless. What the leader has said this morning—

**Mr Hamilton-Smith:** What would you know?

**The Hon. K.O. FOLEY:** What the leader has said this morning could expose the taxpayer to multimillion dollar compensation claims. This episode draws parallels to the situation in Victoria where the then leader of the opposition sought to renegotiate a major infrastructure project involving tolls on the Scoresby Freeway and in the process break a government contract. The then leader of the opposition in Victoria later backflipped on that policy and was ultimately replaced as Leader of the Opposition. Unfortunately, the opposition has resorted to scare tactics and outright misinformation to confuse the public over the government's plan for a new hospital for all South Australians.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** On 6 June the deputy leader, (the member for Bragg) raised further concerns on behalf of the Parklands Association when she said on morning radio: 'The argument of making this a commercial development on Parklands is a serious concern.' Clearly, the opposition is opposed to commercial development of the West Parklands site. But today, we have the opposition leader in his own press release saying that he will be 'calling for expressions of interest from major developers for cultural, tourism and entertainment oriented projects within the new City West precinct'.

*Members interjecting:*

**The SPEAKER:** Order!

*Mr Hamilton-Smith interjecting:*

**The Hon. K.O. FOLEY:** 'Trees and grass,' he says. The leader goes even further and canvasses previous suggestions for the use of the City West area and names a five-star hotel and an AFL football stadium as possibilities. You had better talk to your colleague—

*Members interjecting:*

**The SPEAKER:** Order!

*Members interjecting:*

**The SPEAKER:** Order! The Deputy Premier will take his seat for a moment.

*Members interjecting:*

**The SPEAKER:** The house will come to order!

**The Hon. K.O. FOLEY:** Thank you, sir. This is hardly consistent with the deputy leader's comments. Unlike the opposition's plan, the government's plan will see up to 3.8 hectares of the old Royal Adelaide Hospital site returned to the Adelaide Botanic Garden.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** On 8 June, the night after the state budget was handed down, the leader was asked on *Stateline*, 'Will you back the hospital?' The answer from the Liberal leader was, 'Look, we won't oppose the hospital being built.' That was only 10 days ago! 'Flip-Flop' Marty. Yet, in *The Advertiser* this morning, Mr Martin Hamilton-Smith—very long name that, Mr Martin Hamilton-Smith—is reported as saying that the proposed new Marjorie Jackson-Nelson hospital is unnecessary. The opposition is contradicting itself on almost a daily basis.

**Mr HAMILTON-SMITH:** On a point of order, Mr Speaker, to be fair, this is nothing but a debate and sledging session to which the opposition has no opportunity to respond because it is dressed up as a ministerial statement.

**The SPEAKER:** Order! The Leader of the Opposition has made his point. Standing order 107, which governs ministerial statements, states that a ministerial statement is given by leave of the house. It does not have any prohibition from debate, as does the standing order with regard to questions and answers to questions. I do not believe the Deputy Premier is infringing on standing orders by debating, but he has been given leave and leave can be withdrawn at any time. I think it is really up to the minister who is giving the statement with the leave of the house to be mindful that that leave can be withdrawn at any time. The Deputy Premier.

*An honourable member interjecting:*

**The Hon. K.O. FOLEY:** I don't think you can, actually. I'm coming to that.

*An honourable member interjecting:*

**The Hon. K.O. FOLEY:** Yes, ask Iain. To add to the confusion and misinformation, we have had the opposition spokesman for health (the deputy leader) saying that we are taking a 1 000 bed hospital and replacing it with an 800 bed hospital. This is simply not true. The current Royal Adelaide Hospital has a capacity of approximately 680 beds; the new hospital will have a capacity of 800 beds. The deputy leader has been caught out again. On the issue of costings—

**Ms Chapman:** Bevan and Abraham.

**The Hon. K.O. FOLEY:** Bevan and Abraham.

*An honourable member interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** On the issue of costings, the opposition has well and truly come up short. On *Stateline* on 8 June, the Leader of the Opposition made the outrageous claim that the Royal Adelaide Hospital could be rebuilt on its current site for half of the \$1.7 billion, saving some \$850 million. He just plucked that out of the air. He provides no basis for that claim, other than to say that we have spent nothing like this amount on the Flinders Medical Centre or the Queen Elizabeth Hospital. In his press release today, the leader has started to backtrack—'Backflip' Marty—on his bold savings claim, now asserting that the savings will be between \$300 million and \$700 million, not the \$850 million he predicted earlier.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** The government has undertaken a rigorous costing process on both the construction—

**The Hon. P.F. CONLON:** On a point of order, Mr Speaker, I make the point that it sits ill in the mouth of the Leader of the Opposition to take points of order when the opposition has done nothing but hector and interject for the entirety of the ministerial statement, and interjections are out of order.

*Members interjecting:*

**The SPEAKER:** Order! The Deputy Premier has been given leave and must not be interrupted.

**The Hon. K.O. FOLEY:** The government has undertaken a rigorous costing process on both the construction of a new hospital and the redevelopment of the Royal Adelaide Hospital. The spatial brief for the new central hospital was developed by external advisers with expertise in health planning and hospital design. The planning and construction modelling was developed using interstate experiences. The modelling—

*Mr Williams interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** The modelling is based on the costings of other new hospitals, or hospital upgrades, around

Australia. Independent consultants, Davis Langdon, undertook a review of all these costings. They concluded that the model was sound, cost provisions were robust and estimates and time frames were appropriate. The same costing model was used for the option of rebuilding the Royal Adelaide Hospital on its existing site. Again, the independent—

*Mr Williams interjecting:*

**The SPEAKER:** The member for MacKillop will come to order!

**The Hon. K.O. FOLEY:** Again, the independent consultants, Davis Langdon, concluded that the model was sound, cost provisions were robust and estimates of time which impacted upon escalation were appropriate. The advised cost of the Royal Adelaide Hospital redevelopment—that is, a rebuild on the existing site—was estimated at \$1.384 billion, with completion being assessed as possible by 2021.

*Mr Hamilton-Smith interjecting:*

**The SPEAKER:** The Leader of the Opposition will come to order!

**The Hon. K.O. FOLEY:** The government also expects to realise efficiencies from the new hospital of around \$50 million per year, once completed by 2016.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** This means that by 2021, had we rebuilt the existing site, we would have already saved approximately \$250 million against the rebuild to reinvest into the health system. The opposition is clearly making up policy as it goes along.

*Members interjecting:*

**The SPEAKER:** Order! The Deputy Premier has been given leave.

**The Hon. K.O. FOLEY:** The government's decision to build the Marjorie Jackson-Nelson hospital demonstrates our commitment to providing the most cost-effective and world-class health care for all South Australians. I appeal to the Leader of the Opposition: do not cause financial ruin by persisting with your policy of renegotiating the contract.

*Members interjecting:*

**The SPEAKER:** Order!

## NATURAL RESOURCES COMMITTEE

**Mr RAU (Enfield):** I bring up the ninth report of the committee entitled Deep Creek.

Report received and ordered to be published.

## VISITORS TO PARLIAMENT

**The SPEAKER:** I draw to the attention of honourable members the presence in the chamber today of students from Eudunda Area School, who are guests of the member for Stuart, students from Aberfoyle Park High School, who are guests of the member for Fisher, and members of the St John Community Care Volunteers, who are guests of the member for Unley.

## QUESTION TIME

### HOSPITALS, NEW

**Mr HAMILTON-SMITH (Leader of the Opposition):** My question is to the Premier. In light of the Treasurer's ministerial statement a moment ago, can he advise whether

he has been given special advice that the cost of the rebuilding of the Royal Adelaide Hospital on the existing site could, in fact, be \$1 billion? If so, why has the Premier allowed the Treasurer to talk up the figure to \$1.4 billion, thus raising the prospect that the government's costing figures for the work have been misstated by up to \$400 million from the outset? The Premier told Triple M Radio on 8 June 2007:

Tarting up the RAH is going to cost us \$1 billion to \$1.4 billion—

while the Treasurer was at the same time—

*The Hon. K.O. Foley interjecting:*

**Mr HAMILTON-SMITH:** —and he has just repeated it—stating categorically that the cost would be \$1.4 billion.

**The Hon. K.O. Foley:** That's between \$1 billion and \$1.4 billion, you goose.

*Members interjecting:*

**The SPEAKER:** Order!

*Members interjecting:*

**The SPEAKER:** Order! I am on my feet, and I expect the house to become silent. I wish to make a point about explanations—and I have made this point previously. An explanation is provided in order to supply information to the house so as to render the question intelligible. The opposition leader's question did not need any explanation, and the explanation he offered was really to add an element of debate into the question, which otherwise there should not have been. If members in their explanations persist in doing this, I will simply withdraw leave to explain the question.

**Mr HAMILTON-SMITH:** Point of order, sir.

*The Hon. K.O. Foley interjecting:*

**The SPEAKER:** Order!

**Mr HAMILTON-SMITH:** I seek your guidance. The explanation pointed out that the Premier made a statement on Triple M Radio that the cost of a particular infrastructure project would be either \$1 billion or \$1.4 billion—somewhere in the range. That was quite a necessary explanation to the question. I think a reading of the explanation and the question will make that very clear. I note your ruling, sir.

**The SPEAKER:** Order! I allowed the explanation. It is not a matter of my ruling whether or not an explanation is in order. All explanations are made with the leave of the house and with the leave of the chair, so there is no such thing as an explanation being, or not being, in order. I have allowed that to go through, but I point out that using an explanation in order to insert debate into a question is part of the problem that we have in question time, because, as I have said before, the minister naturally wants to respond to the explanation rather than simply answer the question. It is very difficult for the chair to pull up the minister and not give the minister an opportunity to respond; it is not something I can do fairly. So, I have allowed the explanation. I have pointed out my concerns about explanations. I ask all members that, in their explanations, they take heed of what I have said. I call the Premier.

**The Hon. M.D. RANN (Premier):** I just want to explain to all members that there has clearly been a tactic of asking a question and then, as soon as the minister begins to answer that question, there are screams of abuse from the other side or highly exaggerated, over-the-top mouthing.

**The SPEAKER:** Order! It is not necessary for the Premier to make a commentary upon the opposition tactics or otherwise. I draw him to the substance of the question.

**The Hon. M.D. RANN:** The substance of the question was answered in the Deputy Premier's ministerial statement.

Let me just give a little bit of an arithmetic lesson to the Leader of the Opposition. In saying on SAFM—or Triple M, he may have said—that it was between \$1 billion and \$1.4 billion, the figure has been given: it is \$1.384 billion. I do not know which school you went to but \$1.384 billion sounds like somewhere between \$1 billion and \$1.4 billion.

*Members interjecting:*

**The SPEAKER:** Order! I call the member for Little Para.

*Members interjecting:*

**The SPEAKER:** Order! Could the member for Little Para take her seat. Another thing I am going to come down upon is members heckling another member when he or she gets to her feet. The member for Little Para had not even had an opportunity to get a word out before there was a barrage of noise. Yes, I am looking at the member for Schubert and other members. I ask members to show courtesy to other members that they would expect for themselves. The member for Little Para has the call.

### GENERATIONAL HEALTH REVIEW

**The Hon. L. STEVENS (Little Para):** Thank you, Mr Speaker. My question is to the Minister for Health. How does South Australia's Health Care Plan build upon the recommendations of the Generational Health Review?

**The Hon. J.D. HILL (Minister for Health):** I thank the member for Little Para for that incisive question and, in so doing, I acknowledge her great work on the development of the Generational Health Review, which has provided the basic structure on which we are building our health care system. In 2003—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. J.D. HILL:** Please ask me questions along those lines; I would love to have one. In 2003, the Generational Health Review report was released, and it contained recommendations to change the face of the public health system in South Australia. Since then, many changes have taken place, particularly in the areas of health governance and primary health care. Last week, the government released South Australia's Health Care Plan, which is a 10-year vision for public health care in our state.

**Ms Chapman:** Not out at Modbury.

**The SPEAKER:** Order!

**The Hon. J.D. HILL:** As members will know, the centrepiece of that plan is the \$1.7 billion Marjorie Jackson-Nelson hospital, which will be Australia's most advanced hospital. Also, at the heart of this plan is an increasing focus on primary health care, including four GP Plus health care centres across Adelaide and one at Port Pirie. The new Health Care Plan is the next step in the implementation of the Generational Health Review's recommendations. This plan delivers on 14 key recommendations of the Generational Health Review, and I would like to go through those recommendations. These include recommendations 2.9, 3.15, 3.10 and 3.17, which call for capital investment plans—

*Ms Chapman interjecting:*

**The Hon. J.D. HILL:** Mr Speaker, I am finding it distracting.

**The SPEAKER:** Order! The Deputy Leader of the Opposition is warned.

**The Hon. J.D. HILL:** Thank you, Mr Speaker. These recommendations call for capital investment plans to achieve system reform, long-term financial certainty and improved information technology. The Health Care Plan delivers an

extra \$2.1 billion in targeted capital investment to achieve all those goals. In addition, recommendation 3.1 makes clear that the demand for hospital services needs to be managed. This is, of course, a central plank of the Health Care Plan. In order to have a sustainable system into the future, we need to manage the demand on acute services into that future, all of which are growing at a staggering rate. Recommendations 3.5, 3.6, 3.7—

*Mr Venning interjecting:*

**The SPEAKER:** I warn the member for Schubert.

**The Hon. J.D. HILL:** —3.8, 3.9 and 3.11 focus on the need to improve primary health care services. This is being delivered with our GP Plus health care centres, as well as GP Plus networks and practice nurses, all of which are part of our plan. Finally, in recommendations 3.12, 3.13 and 3.14, the Generational Health Review recommended improved clinical networks, planning and service delineation. That is what occurs in this plan as well. It is no longer feasible for every hospital to be trying to provide the same services. We need a structured approach which will be based around three major hospitals: one in the centre, one in the north and one in the south. We then need to increase our provision of services for the elderly, increase rehabilitation and palliative care services and elective surgery at the three general hospitals, and we need a much greater focus on illness, prevention and keeping people healthy and out of hospital. That is at the centre of the GHR, and that is what the SA Health Care Plan will deliver.

I table a document which goes through some of that information in more detail. I also indicate that an even more detailed document will be placed on the department's internet site.

### HOSPITALS, NEW

**Mr HAMILTON-SMITH (Leader of the Opposition):** My question is to the Treasurer. Which minister was responsible for carrying out the initial detailed costings on the government's proposal to build a new \$1.7 Marjorie Jackson-Nelson hospital, and will the government make the full detail of these costings—and the Davis Langdon review—available to the house?

**The Hon. K.O. FOLEY (Treasurer):** From memory—and I stand to be corrected—this has been an exercise undertaken over at least a 12-month period involving the Minister for Health. But, equally, to get as much due diligence done in terms of assessing this, we formed a special committee involving the Under Treasurer; the head of the Department of Transport and Infrastructure, Jim Hallion, a highly regarded public servant on major projects (as the member would recall, he was the officer who delivered for John Olsen on the work done by your government on the Alice Springs to Darwin railway line); and, of course, Tony Sherbon, the new head of the health department.

*Mrs Redmond interjecting:*

**The Hon. K.O. FOLEY:** He is a very good officer. The committee was ably assisted by various other public servants and, I assume, as I have already indicated to the house, we engaged some external advisers to assist us in the due diligence process, in the preparation of robust analysis, and I am advised that we then brought in another adviser to further assess the work that was undertaken. It was a very good piece of work which proved up the costings.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** There was a very detailed amount of work done. The members opposite ask whether we will table it. We are happy to make available information that we deem to be appropriate.

*Members interjecting:*

**The SPEAKER:** Order!

*The Hon. P.F. Conlon interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** We are now going into a body of work where we will make an assessment as to whether it will be a direct bill by government or a PPP. I have publicly stated that it is my preference for it to be a public-private partnership, but a piece of serious work needs to be undertaken to ensure that that is the best procurement model for government, because it may be, as we analyse further, that a direct procurement is a better option for a variety of reasons. In terms of the framing of the budget, we have assumed it is an on-budget capital bill program by government. That is what we have factored our budget around. If it is to be a public-private finance initiative, it would be, presumably, off budget and would become an operating lease, which would impact on the operating account, not on the net lending. We will do that work over the months ahead to ensure that we get the right procurement model. What I do not want to do is to put into the public domain information—

*Mr Hamilton-Smith interjecting:*

**The SPEAKER:** Order! The Leader of the Opposition will come to order.

**The Hon. K.O. FOLEY:** I do not want to put into the marketplace information that would assist the private sector to provide a price which is not the most competitive price we might otherwise obtain. The Leader of the Opposition today has put at risk the government's ability to get the best price.

*Members interjecting:*

**The SPEAKER:** Order! The Deputy Premier is now debating.

**The Hon. K.O. FOLEY:** The government has to obtain the best price, but, equally, if we go into a private-public partnership and, indeed, if we went in with a direct build, there is the issue of sovereign risk. As a government we have worked very hard for five years to improve our standing both nationally and internationally, as it relates to private financiers and the financial markets. The Leader of the Opposition today has put at risk the question of sovereign risk. As a finance minister, as Treasurer, I cannot let that go unchallenged. If the Leader of the Opposition maintains a position that he will renegotiate this contract after we have signed it, he puts at very real risk the financial viability of this project. If he does not understand that, he is unfit for public office.

**The SPEAKER:** Order! The Deputy Premier will resume his seat.

*Members interjecting:*

**The SPEAKER:** Order! I am on my feet. The house will come to order. When I am on my feet I expect all members to be silent. The Deputy Premier is debating the question. We will move on.

### STATE ECONOMY

**Ms FOX (Bright):** Will the Premier outline to the house further recent good news on South Australia's economy?

*Members interjecting:*

**The SPEAKER:** Order! No sooner had the Premier got up to start his answer than there were interjections. The Premier has the call.

**The Hon. M.D. RANN (Premier):** Thank you, sir. South Australia's economy is in the best shape it has been for more than a generation. Last Thursday the Australian Bureau of Statistics published figures for mineral exploration expenditure for the year to March. What do those figures show? They show that spending on mineral exploration has smashed through the \$200 million barrier to reach an all-time high. In the past year exploration spending has totalled more than \$233 million—which is \$123 million more than for the same period last year. Members would recall that when we announced our target under the State Strategic Plan of about \$100 million—which was about three times more than the exploration rate under the Liberals—people said that it was impossible to achieve. Well, it puts South Australia ahead of every—

*Members interjecting:*

**The SPEAKER:** Order! The Premier.

**The Hon. M.D. RANN:** Thank you, sir. It puts South Australia ahead of every state and territory with the exception of Western Australia. We are ahead of Queensland, the second largest mining state. When this government came to office spending on exploration was a mere trickle at just over \$30 million. Today's exploration spending in South Australia is nearly eight times higher than it was under the Liberals. This government put in place the Plan for Accelerated Exploration (PACE) to promote investment—and I want to congratulate Robert Champion de Crespigny, as Chair of the Economic Development Board, in playing a pivotal role, along with PIRSA, in achieving the PACE exploration program. This was designed to promote investment. In just four years, it has helped South Australia rise from 36 out of 65 jurisdictions on the Fraser Institute's international rankings of mining prospectivity to fourth today in the world. The Centre for South Australian Economic Studies expects mining investment to increase by a staggering 217 per cent this year.

Our state has broken another record. Members opposite do not like hearing this, but I advise that in the March quarter private new capital investment reached an all-time high. For the March quarter, investment came in at \$1.27 billion, the highest figure in South Australia since records began. For the year, South Australia's investment spending grew by 10.8 per cent in real terms—the second highest of any state in the nation. Our growth in investment spending was twice that of Queensland, nearly twice that of Victoria and more than twice the national growth rate (once the impact of the Telstra sale is factored out). Earlier this month we broke another record, with the ABS reporting that our population had grown by 1 per cent in 2006, the highest rate for 15 years.

More than \$34 billion worth of projects is in the pipeline, and KPMG has recently reaffirmed its finding that Adelaide is the most cost competitive investment location of nearly 30 Australian cities. These facts are confirmation that the Prime Minister, John Howard, was right when he said, 'the economic growth that is now occurring in South Australia [is] the best for a generation'.

As I have said before, we are determined that South Australia be the most competitive place in Australasia in which to do business. As part of that push, I am pleased to report that the Hon. Paul Holloway in the upper house has announced the State Planning and Development Review, which aims for South Australia to have the nation's most effective planning and development system. We have already begun the reform process, but there is more to be done to streamline our planning and development processes. We need

to improve the performance and timeliness of the planning system and we need to provide greater certainty for all involved.

The review will be directed by a small steering committee overseen by the Minister for Urban Development and Planning, consisting of the member for Napier as chair, Economic Development Board members, Michael Hickinbotham, Fiona Roche and Grant Bellchamber, as well as Tim Jackson and Stuart Moseley from local government, and planning law expert, Jamie Botten. The review will be the most wide-ranging and intensive review of the planning system.

I am confident that the State Planning and Development Review will help deliver a new wave of planning reform and will be a key ingredient in helping us to sustain the strong economy and high investment and prosperity that we enjoy today.

### HOSPITALS, NEW

**Mr HAMILTON-SMITH (Leader of the Opposition):** My question is again to the Treasurer. Was the process the Treasury used and were the people the Treasurer engaged to determine that the cost of the government's new \$1.7 billion hospital would be such the same people and the same process he used when he signed off on the Northern Expressway at \$300 million, only to have to come into the house and explain it would be almost twice that at \$550 million?

**The Hon. K.O. FOLEY (Treasurer):** I cannot believe that is the second question to me after a budget. I do not know who is writing your questions these days, but that is pretty ordinary. You know who the person was—the same senior public servant who signed off on the costing for the Alice Springs to Darwin railway line under your government, Jim Hallion.

### YOUTH ENGAGEMENT GRANTS

**Ms PORTOLESI (Hartley):** My question is to the Minister for Youth. What support is the government providing—

*Members interjecting:*

**The SPEAKER:** Order! Again, I ask members to show courtesy to the member on her feet.

**Ms PORTOLESI:** Thank you, sir. What support is the government providing to foster the active engagement of young people within their communities?

**The Hon. P. CAICA (Minister for Youth):** I thank the honourable member for her question, and I acknowledge the work she is doing with the young people in her electorate and with the youth organisations in that electorate. I am very pleased to inform the house that the state government, through the Office for Youth, has committed \$428 000 to encourage young people to become active participants in decision-making processes about their future and about issues of importance to their local community.

The Office for Youth recently conducted competitive funding rounds for the youth engagement grants and the youth network grants. The youth engagement grants support community projects that provide opportunities for young people to be actively involved in community life and community development. Grants are available to youth agencies, councils and schools. Successful applicants each year receive funding of \$20 000 per year for three years. This year's successful applicants represent a diverse sector of our

community and specifically address the government's priority areas for youth: regional development and employment; youth justice; youth at risk; the arts; and volunteering. The grants were awarded this year to the following:

- the rural city of Murray Bridge for its project Nunga Youth Cultural Connection, where young Aboriginal people will work together at camps, forums and other training activities to identify and collaboratively address issues of importance to them;
- Gateways (Northern and Country and Flinders Connect), which is based at Spencer TAFE in Port Pirie, for its project 'Into the Future'. This project will provide young people from the APY lands with further education and work options to encourage them to plan for their future beyond school;
- Southern Youth Theatre Ensemble of Port Noarlunga for its project 'ViolEND'. This project will provide peer education on ways to prevent violence by and against young people, using a range of community-based arts initiatives;
- Multicultural Youth South Australia Incorporated for its multicultural Youth Volunteer project. This project will link young refugees aged 15 to 25 from our emerging communities to a range of volunteering opportunities;
- Chiton Rocks Surf Lifesaving Club for its project 'Break Away', which will provide mentoring for young people exiting the juvenile justice system; and
- YWCA of Adelaide for its project in the Southern Fleurieu and Kangaroo Island region, 'Com-Pleat!' This project will help young people to increase their knowledge, gain experience, develop networks and more fully engage with their local communities.

I am also pleased to remind members about the youth network grants, which provide 17 youth service providers across our state with a share of \$68 000 in funding to assist them to respond to issues impacting on young people in their regions. This is another outstanding example of the Office for Youth linking with local communities to the betterment of our young people.

### HOSPITALS, NEW

**Mr HAMILTON-SMITH (Leader of the Opposition):** My question is again to the Treasurer. Since the government has no intention of rebuilding the Royal Adelaide Hospital, therefore removing the intrepid danger of sovereign risk, will the Treasurer table the full costings and the Davis Langdon review linked to his claim that the cost of rebuilding that hospital will be only \$1.4 billion?

**The Hon. K.O. FOLEY (Treasurer):** I will take that on advice. I am more than happy (as I am sure the Minister for Health will be) to release whatever information we can release which does not put the commercial negotiating position of government at risk.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** I suspect that we could make quite a bit of information available, because the penny might then drop in the media that you cannot just pluck a figure out of the air on *Stateline* and say, 'Oh, we would have costed it at \$800 million.' Now the Leader of the Opposition is saying that it is \$300 million to \$700 million.

*Members interjecting:*

**The SPEAKER:** Order!

*Dr McFetridge interjecting:*

**The SPEAKER:** Order! I warn the member for Morphet. I take a dim view of members speaking and interjecting when I am on my feet. If the house will not come to order when the chair is on his feet, we will have chaos. Members will come to order. The Treasurer.

**The Hon. K.O. FOLEY:** Thank you, Mr Speaker. This is a very large project, and it is our intention, if the business case supports it, to go to market with the private sector. I do not want to put information into the public realm which will in any way disadvantage the government's ability to attract the most competitive price. But I come back today to the fact—and I will harp on this for the next three years—that the Leader of the Opposition has made the financially irresponsible statement that he will renegotiate this project if he comes to office, because that puts at risk our ability—

*Mr Hamilton-Smith interjecting:*

**The Hon. K.O. FOLEY:** You said that in *The Advertiser* this morning.

*Mr Hamilton-Smith interjecting:*

**The Hon. K.O. FOLEY:** Oh, hello—read *The Advertiser*.

**Mr Hamilton-Smith:** You read it.

**The Hon. K.O. FOLEY:** Well, I will re-read *The Advertiser*.

**Mr Hamilton-Smith:** You are misrepresenting—

**The Hon. K.O. FOLEY:** I'm misrepresenting?

**The SPEAKER:** Order! The Treasurer is now debating the answer.

**The Hon. K.O. FOLEY:** It is vitally important—and I will harp on about this, because it is the right thing to do as the Treasurer of this state. If the Leader of the Opposition does not recant on his statement in *The Advertiser* today—

*Mr Hamilton-Smith interjecting:*

**The SPEAKER:** Order! It may be the right thing for the Treasurer to do, but answering a question during question time is not the time to do it. The Treasurer has been asked a question and, whatever the merits of what he may be saying, now is not the time to do it. By doing it now, it just creates an atmosphere where the opposition feels it has no alternative but to interrupt the Deputy Premier's answer.

#### STATE INDUSTRIAL AWARDS

**The Hon. P.L. WHITE (Taylor):** My question is to the Minister for Industrial Relations. How has the government ensured that state awards are modernised to assist business and protect South Australian workers' entitlements?

**The Hon. M.J. WRIGHT (Minister for Industrial Relations):** The government has approved \$118 000 for distribution to employer associations and unions to facilitate the modernising of 29 state awards. In 2004, the government commissioned an award modernisation project. This has enabled employer associations and unions to source funding to undertake cooperative work on updating awards. The practical effect of the project has been the reformatting and updating the language of awards to make them easier to understand and interpret. Obsolete clauses have been removed and model clauses inserted so that the updated awards comply with community standards. Throughout the project, funding recipients have received ongoing support from SafeWork SA and the commission. Of particular significance was the rationalisation of eight building awards into three awards, which has meant that the awards have a clearer and more understandable set of employment conditions.

The government is committed to a relevant, modern and effective safety net for workers. I will not go through each of the awards, but some of the organisations that have participated—and I thank them for doing so—include the Master Builders Association, the Australian Services Union, the Liquor Hospitality and Miscellaneous Union, the Shop, Distributive and Allied Employees Association, the South Australian Farmers Federation, the Australian Hotels Association, the Community Employers Association and also the Australian Workers Union.

#### STATE DEBT

**Mr HAMILTON-SMITH (Leader of the Opposition):** My question is again to the Treasurer. How much more debt will the people of South Australia need to accept if the new hospital does not proceed as a PPP? Government sector debt is to increase from \$151 million to \$1.44 billion. Only \$212 million of that amount is ascribed to the government's \$1.7 million hospital over the next four years.

**The Hon. K.O. FOLEY (Treasurer):** Clearly, if it is a direct capital procurement project, debt will rise further in the forward estimates as we digest that debt. I have had this discussion with both Standard and Poor's and Moody. Indications are that they are quite comfortable with that. It is a program that all state governments are undertaking as we reinvest into capital. This is a funny old world. We ran budget debt down to zero, and when I was doing that I had *The Advertiser*, business, the opposition (yourself included), the trade union movement and the parrot in the petshop saying, 'Borrow money for investment. Don't be afraid to borrow for capital expansion.' Then, the minute I do it, I get the Leader of the Opposition saying, 'Shock, horror.' This is a prudent schedule of borrowing, a prudent schedule of reinvestment and, with a balance sheet as strong as ours, with a AAA credit rating, it is the proper usage of a strong balance sheet of government. The scare tactics that the opposition has put out there, saying that this is debt akin to the State Bank, yet again shows why the Leader of the Opposition is unfit for public office. It will not matter what damage he does to our image or our standing or what he puts at risk, in terms of sovereign risk: he will say and do anything to damage this government if it advances his cause.

One thing that we have done exceptionally well since we came to office is manage down our debt to zero without having to privatise. After the sale of ETSA, the Leader of the Opposition's government ran heavy recurrent debts and heavy operating and net debt. We have not done that. With our package of borrowings, we are running strong surpluses; \$200 million to \$300 million surpluses. I looked at some budget figures from Victoria the other day, and my recollection is that our net operating balances (and I stand to be corrected) are not that dissimilar to those of Victoria. We are running healthy net operating balances; that is, we are spending quite a bit less than we are earning in day-to-day income. The deputy leader shakes her head. Anyone who resorts to attacking the Governor of this state does not deserve any recognition in this place.

The profile of debt is consistent with a AAA credit rating and with the size and shape of our balance sheet, and it is consistent and appropriate, given our level of net operating surpluses. I have delivered six budgets, and I am confident that this budget is well structured. What is even more important, so are the international credit rating agencies.

### HOSPITALS, NEW

**Mr HAMILTON-SMITH (Leader of the Opposition):**

Can the Minister for Health explain why Mr Ray Grigg was not involved in any of the planning for the new—

*An honourable member interjecting:*

**The SPEAKER:** Order!

**Mr HAMILTON-SMITH:** —centralised \$1.7 billion hospital plan? In 2004, Lea Stevens (the then health minister), stated that Mr Grigg would be:

... instrumental in creating a system that will allow funding, resourcing and service delivery decisions to be made in a coordinated way, based more on the total health needs of local communities instead of individual health institutions operating in isolation from each other. Mr Grigg would also ensure better cooperation, coordination and integration in the way we run and plan our health services and in the way we provide care.

**The Hon. J.D. HILL (Minister for Health):** The Leader of the Opposition is referring to Mr Ray Grigg, who is the Chair of the Central Northern Adelaide Health Service. Mr Grigg wrote to me, I think, early in May (10 May, or thereabouts), telling me that he was resigning from that position. I sought to meet with him to discuss his resignation, and I was advised that he was overseas. During the recent announcements, I met with the chairs of all the boards to let them know what was in the plan and to explain to them what was going on. Mr Grigg was unavailable at that time. I believe that, once again, he was overseas. It was very difficult for me to meet with a man (who was in the process of resigning, anyway) who was overseas. However, I can assure the house that I did meet with the Acting Chair of the Central Northern Adelaide Health Service, and he said to me, 'We fully support what you have done. This is absolutely in accord with what we want.' Let me reinforce that with a communique from the Central Northern Adelaide Health Service Board Regional News dated June 2007, issue No. 20, the most recent communique from the Central Northern Adelaide Health Service, which states:

The board of the Central Northern Adelaide Health Service would like to publicly state in-principle support for the initiatives announced in the South Australian Health Care Plan 2007-16, which were announced by the Premier and Minister for Health on 6 June 2007.

### GENERATIONAL HEALTH REVIEW

**Ms CHAPMAN (Deputy Leader of the Opposition):**

Will the minister—

*Members interjecting:*

**The SPEAKER:** Order! I asked the opposition to show courtesy to government members about to ask a question. I expect exactly the same thing from government members.

**The Hon. P.F. Conlon:** Well, they haven't.

**The SPEAKER:** The Minister for Transport is warned.

**Ms CHAPMAN:** My question is to the Minister for Health. Will the minister explain to the house why the Generational Health Review report, which was released in June 2003 and described as the blueprint to rebuild South Australia's hospital and health services, was removed from the health department's website and then reinstated last weekend after there had been media complications?

**The Hon. J.D. HILL (Minister for Health):** I thank the deputy leader for the question, but it is an extraordinary one. We have just announced the Health Care Plan, revitalising the health system over the next 10 years, spending \$2.2 billion,

changing every hospital in the state, and the question from the Deputy Leader of the Opposition is: why was something taken off an internet site and then put on a few days later? Well, I do not know, but I will find out for her if that is the main thing that she wants to know.

### HOSPITALS, NEW

**Ms CHAPMAN (Deputy Leader of the Opposition):**

My question is again to the Minister for Health. Has the government agreed to demolish the Royal Adelaide Hospital and remediate the area to the Botanic Garden as identified in the Minister for Health's public statement on 11 June 2006 as a 'strong option'? If so, what will be the cost, and why has this figure not been included in the total cost of switching the hospital location from its present position to City West?

**The Hon. J.D. HILL (Minister for Health):** I thank the deputy leader again. Once again, it is a question spot-on in terms of the relevance of the plan we announced last week. I put out a statement a few days after the health plan was announced because, at every interview I gave in relation to the plan, everybody asked, 'What are you going to do with the old RAH site?' I said at the time that we were still working that through, but that there was a strong chance, and it is certainly my personal desire, for the land to be returned to the Botanic Garden. I said that we had six or seven years where we could work through the detail of that, and we would certainly do that, but on the site there is approximately 3.5 or 3.7—I cannot recall the exact figure—hectares of land which conceivably could be put back into the Botanic Garden, because the buildings on that land were of such quality that you would want to see them pulled down.

We would have to go through and do a detailed analysis of the site. What buildings would you want to keep? Some of them are heritage listed; some of them are being utilised for other purposes. For example, there is a new car park that you would not want to see pulled down in the short term; the IMVS is still operating from the site, as are the dental services; and, as I say, there is a whole range of other buildings there which are heritage listed. A strong option for the government is to clear the land because, after all, in the 1950s a section of the land was taken from the Botanic Garden and committed to the hospital for its expansion. The reality is that, if we did want to expand the hospital, we would have to do the same thing in the future. It is a land-locked site, so we would not want to see that happen. I would like to see that land restored to the Botanic Garden and, in fact, more land, but we have plenty of time to discuss this. I look forward to working through with all the relevant—

*Members interjecting:*

**The Hon. J.D. HILL:** There is a kind of running commentary. I do not understand a word of it; I just hear the babble. We look forward to working with the key stakeholders, the Parklands authority, and others about how we would make the changes.

### HOSPITALS, COUNTRY

**Ms CHAPMAN (Deputy Leader of the Opposition):**

My question is again to the Minister for Health. Why has the government planned to rip \$35.7 million out of services—that is, specifically surgery, anaesthetics, obstetrics and emergency services—at an undisclosed number of country hospitals across the state? What has been the government's response to the Rural Doctors Association of South Australia's concern



that its members are ‘absolutely appalled by this budget decision’?

**The Hon. J.D. HILL (Minister for Health):** The question relates to the transfer of funding from some services into other areas in the health department. Across health we have a saving strategy in place. We had one last year, we have one this year, and we will have one over the next couple of years, as do many other government agencies. It seems that, even though health is consuming more and more—and perhaps especially because health is consuming more and more—of the state’s resources under this budget—about 29 per cent of the state budget goes into health—it is absolutely reasonable that some of the extra spending required in health should be funded from within the health budget itself, so we should be transferring effort from services in areas where there is relative lack of need into areas where there is higher need. We are certainly doing—

*Mr Pengilly interjecting:*

**The SPEAKER:** Order! The member for Finnis is warned.

**The Hon. J.D. HILL:** This is an important issue, and I am glad to have the opportunity of explaining to the house the strategy that we are adopting, but I would say to those members representing rural areas that they may learn more when I am answering the question by listening, rather than talking over the top of me. In relation to this strategy, we have some targets in place within the metropolitan area and we have a relatively small target in place in the country. That target, I think, is about \$10 million a year, not in this next budget but in the following one, and I will tell the house how we will go about dealing with that target.

One of the things we will do is to reduce the number of bureaucrats that we have operating in country health. We have identified about \$1 million worth of savings to be made by removing a number of bureaucratic positions—namely, non-service, non-clinical positions—which are not needed in country health, and that would seem to me to be the most sensible thing that we could do as a first step. Over the next six to 12 months, as I said to the head of the Rural Doctors Workforce Agency and the representatives of the rural doctors, we will work with them to develop a clinical plan for service delivery in country health which will improve services in country South Australia. At the moment, we have a range of hospitals—in fact, something like 60 individual hospitals—all attempting—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. J.D. HILL:** Once again, I attempt to give information to the house—and I am not being argumentative or debating the point but merely giving information—and I get spoken over by people who say they represent rural areas but who are more interested in the sound of their own empty rhetoric than they are in information which might actually give them something they can use in their local community. Our intention is that, over the next six to 12 months, we will work with—

*Mrs Redmond interjecting:*

**The SPEAKER:** Order! The member for Heysen is warned.

**The Hon. J.D. HILL:** The intention of the government over the next six to 12 months is to work with rural communities and the agents who represent doctors and others who work in rural communities and to work with the existing hospitals to develop a service plan which will give better clinical services for people in country South Australia. At the

moment, on an average day, about 550 country people are in South Australia’s metropolitan hospitals. In other words, about 45 per cent of the money we spend on country South Australia’s health is spent in Adelaide metropolitan hospitals. Over time, we would like to transfer as much of that effort as we can from metropolitan hospitals into country hospitals to give an increased capacity to deliver services to rural South Australians. We have identified four hospitals where we are going to build greater capacity to provide a broader range of clinical services for country people. They are in Mount Gambier, Berri, Port Lincoln and Whyalla. In addition, we want Port Augusta Hospital to provide a greater range of services for Aboriginal South Australians. That is very important reform.

Related to that, we will identify a series of hospitals in rural South Australia which will be linked and networked with those four hospitals. We want to make sure that the doctors and other clinicians who are working in those four hospitals can provide services out in the other linked communities as well so that we can have a broader range of services provided to more country South Australians. In other words, we want to be able to provide to country South Australia some sort of guarantee that particular hospitals will offer a particular range of services.

At the moment, nobody can provide a guarantee to country South Australians that any services can be delivered in the longer term because the capacity to do that is limited by the governance arrangements we have and also by the fact that individual communities have services delivered by GPs and GP specialists who may or may not come into particular towns. So, all of you who represent rural areas would know of circumstances where birthing used to occur at a particular hospital but, because the GP who did birthing retired, left or was given a job somewhere else or was offered a golden parachute of \$500 000 that they are currently doing to move into a city location, then those services go. We want to have a country health plan so that we can give a higher level of certainty to rural communities that those services will be available.

There is nothing but empty rhetoric in the arguments that we are trying to cut country health. This is not true. We are trying to build up country health and provide better services for your constituents. They are your constituents. We are doing this because we believe in it, not because we are playing politics.

*Members interjecting:*

**The SPEAKER:** Order! If the member for Schubert wants to ask, ‘What about the Barossa?’ I am more than happy to give him the call. He just needs to stand up and ask the question of the minister.

**Mr VENNING (Schubert):** I would like to ask the Minister for Health—

*Members interjecting:*

**The SPEAKER:** Order!

**Mr VENNING:**—why, in the answer he has just given to the house, there was not a single mention of the Barossa either in the budget or in his speech?

*Ms Chapman interjecting:*

**The Hon. J.D. HILL:** The Deputy Leader of the Opposition said that I do not care. I take deep offence at that. One thing I am bringing to this job of health minister—and maybe there are a lot of other things that I am not—is a great deal of care. I care deeply about us having the best possible health system available in this state, and I am working my guts

out—as are my departmental officials—to achieve that. In relation to the Barossa hospital, I visited both the units. In fact, I was at Tanunda Hospital only last week. My wife has a relative in that hospital, whom I visited. I must say the relative is very poorly, and the hospital is doing a great job looking after her. I have also visited the Angaston Hospital.

I am aware how passionate that community is about the need for redevelopment, and I think the plan they have come up with is a very good plan. They want to consolidate the two services. I say this to members on the other side that that community has decided that the two hospital sites are unnecessary and that the two hospitals should be brought together. That is a good thing but, of course, if I were to say that two hospitals should be brought together and that another hospital should close, I would be the devil incarnate. However, this community has come up with that plan. I support that plan, and we are going to work—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. J.D. HILL:** We will work over the next six to 12 months with that hospital to further develop the proposition, but it has to be part of the overall country health strategy that we will be working on over the next six to 12 months. It seems to me, talking to the chair and the board and others, as I did only a few days ago, that they understand the direction that the government is proposing. Of course, any proposition has to go through a budget process. In the last budget we announced \$100 million worth of extra capital works in country South Australia. The highest priority was the hospital in Ceduna. I have to say that I have had nothing but criticism, of course, from the local member since I announced it. From a political point of view, I wish I had been able to announce one for the Barossa because I know the member for that area would have been much more gracious in his response.

*Members interjecting:*

**The SPEAKER:** Order!

### GENERATIONAL HEALTH REVIEW

**Ms CHAPMAN (Deputy Leader of the Opposition):** My question is to the Minister for Health. Given that on 12 June the Premier said he had been looking at the new hospital proposal for about a year, with a massive number of meetings, and given that today the Treasurer has confirmed that this project has been considered for over a year, why did the minister say on 16 March 2006, in response to the announcement to buy back Modbury Hospital:

I certainly rule out the obstetrics services being cut. That has never been part of the agenda.

**The Hon. J.D. HILL (Minister for Health):** The Deputy Leader of the Opposition never gives context because that would ruin a good story. The question was put in the context of whether we are deprivatising this hospital in order to cut services. I said no, that was not the intention, and I stand by that. I stand by that because that is the question that I was asked. We did not deprivatise Modbury—I hasten to point out once again—to make any of the service changes. We deprivatised Modbury because we believed it would be better run in the public system. It will be integrated in the public system.

*Ms Chapman interjecting:*

**The SPEAKER:** Order! The deputy leader has already been warned.

**The Hon. J.D. HILL:** The process to develop the new strategy, as I have indicated, was on the agenda from just after the election.

### VICTIMS OF CRIME

**Mr KENYON (Newland):** Will the Attorney-General inform the house how many ex gratia payments have been made to victims of crime; and how does this compare with the number of payments made by his immediate predecessors?

**The Hon. M.J. ATKINSON (Attorney-General):** I thank the honourable member for this question and his genuine interest in victims of crime. I also thank the member for Unley who in this place earlier this year asked me to explain why I had declined to make a particular ex gratia payment. I answered the member for Unley's question in a manner consistent with my predecessor, the Hon. K.T. Griffin, of blessed memory. I do hope that the members for Unley and Heysen have factored into the opposition's costings their new policy of making ex gratia payments to anyone who asks for one, irrespective of the police evidence or the DPP's adjudication.

The member for Unley, somewhat rashly, decided to use taxpayers' money to make a freedom of information application in which he asked for the number of ex gratia payments made by me in comparison with former attorney-general Chris Sumner. Alas, my department was unable to give the member for Unley information about the number of ex gratia payments made to victims of crime by former attorney-general Chris Sumner because the records were so old that they had been destroyed, lawfully, under the general disposal schedule 15 issued by State Records. Although the member for Unley sought to compare the number of ex gratia payments made by me with former Labor attorney-general Chris Sumner (who began in the 1970s and served in the 1980s and early 1990s) he inexplicably forgot to include a request for information about payments to victims made by Liberal attorneys-general Griffin and Lawson. Do members opposite remember him? He was an attorney-general who is famous only for doing his best frantically to try to release McBride from prison.

Inspired by the spirit of the member for Unley's freedom of information application, I asked my departmental officers to make the comparison themselves. Financial records from my department show that I have made 101 ex gratia payments between March 2002 and February 2007. I repeat: 101. My, haven't I been busy? Those financial records also show that between 1997 and 2002—over five years—my Liberal predecessors made—wait for it—eight ex gratia payments. I repeat: over five years and two attorneys-general, my Liberal predecessors made less than one-tenth of the ex gratia payments to victims of crime than those made by the Rann government.

I am mindful that this is a peculiar area of law and that it is a widely held view that ex gratia payments are an act of grace. I am also aware that my predecessor, the Liberal Party's Hon. K.T. Griffin, appeared before the Legislative Review Committee in 1995 to answer an accusation that he did not make any ex gratia payments and that he had quietly made that known to the legal profession—as you do. The committee did not produce statistics on the number of payments the Hon. Trevor Griffin had made, but it did record his explanation of the process he took in assessing whether or not to make a payment. That process is similar to that

taken by me, except that there are different results. The process is that the application is made and reviewed by the Crown Solicitor's office. The Crown's file is delivered to my office where it is assigned to one of my legal officers who examines it. There is often extra information on the file, such as an opinion about the prosecution case from the Office of the Director of Public Prosecutions, and comments about the case from the interim Commissioner of Victims Rights Michael O'Connell.

There is rarely a recommendation from the Crown Solicitor or my legal officer about how I should exercise my discretion. My discretion is absolute and I am not obliged to give reasons for my decisions, a stance strongly upheld by my predecessor (Hon. K.T. Griffin) and supported by the Supreme Court, but apparently something the new look Liberals are going to change. Well, they say they are going to change it while they are in opposition: it is a bit like the ICAC. This is just another example, coupled with our amendments to legislation and the appointment of the Commissioner of Victims Rights, that the Rann Labor government is putting the rights of victims ahead of the rights of criminals. I thank the member for Unley for giving me the opportunity to share this information with the house; namely, that over five years and two attorneys-general my Liberal predecessors made less than a tenth of the payments to victims of crime made ex gratia by the Rann Labor government. You are kicking goals but they're own goals.

#### FLINDERS PORTS

**Dr McFETRIDGE (Morphett):** Has the Minister for Industry and Trade spoken to Flinders Ports about the critical situation that exists with the lack of adequate quarantine facilities for the current citrus crop? Shipping industry representatives have contacted the opposition and have told us that No. 18 shed in Port Adelaide, which is used to store the USA citrus shipments prior to loading, does not meet USDA quarantine requirements, putting at threat to the multimillion dollar citrus exports from South Australia.

**The Hon. K.O. FOLEY (Minister for Industry and Trade):** Firstly, it is a privatised port—privatised by the Liberals. Maybe the primary industries minister may have been better equipped to answer this, but isn't quarantine services a national government responsibility—AQIS? I really think the honourable member should be taking that matter up with his federal colleagues. AQIS is a federal government responsibility. That is a new one on me, but I am happy to follow it up and assist the member with an answer.

**Mr Koutsantonis:** They talk to you, not them!

**The Hon. K.O. FOLEY:** I am dumbfounded that I have been asked a question that is the responsibility of the federal Liberal government.

*Members interjecting:*

**The SPEAKER:** Order!

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#### TREASURER'S REMARKS

**Mr HAMILTON-SMITH (Leader of the Opposition):** I seek leave to make a personal explanation.

*Members interjecting:*

**The SPEAKER:** Order!

Leave granted.

**Mr HAMILTON-SMITH:** I seek to clarify some comments made in a ministerial statement by the Treasurer that could be misleading and could be taken by people to be facts when they are not. The Treasurer quoted me in *The Advertiser* saying that 'commercial arrangements could be commercially negotiated out of'. That is correct. He then incorrectly drew the supposition that I would seek to commercially negotiate out of any particular contract that the government entered into—

**The Hon. K.O. Foley:** You said you would.

**The SPEAKER:** Order!

**Mr HAMILTON-SMITH:** I said no such thing, but they could be renegotiated—

**The Hon. K.O. Foley:** You did; you are—

**The SPEAKER:** Order! The Leader of the Opposition has been given leave. If members do not like what he is saying, then they are free to withdraw it, otherwise he will be heard in silence.

**Mr HAMILTON-SMITH:** The Treasurer then went on to make claims that there was some contradiction between the deputy and me about the sanctity of the Parklands by presuming that neither of us regard any developments in the Parklands of serious concern. We do. He then went on to make—

**The Hon. M.J. ATKINSON:** Mr Speaker, I have a point of order. This appears to be debate, not a personal explanation. We are now referring to intentions and feelings and opinions, rather than the content of the minister's statement.

**The SPEAKER:** Yes, the last remark made by the Leader of the Opposition was not explanation. In his explanation, the Leader of the Opposition needs to stick to things that were said, and if something that was said has misrepresented the Leader of the Opposition he needs to restrict himself to that.

**Mr HAMILTON-SMITH:** Very well, sir. The Treasurer then claimed that I do not support the hospital. I do.

#### GRIEVANCE DEBATE

##### ITALIAN DIABETES SUPPORT GROUP

**Mr PISONI (Unley):** Last month, the member for Hartley raised this matter in grievance debate and accused the federal government of cutting funding to the Italian Diabetes Support Group. The amount of funding the member mentioned was \$1 000. She told this house that she had written to Christopher Pyne, the hardworking federal member for Sturt and Minister for the Ageing, to try to find out why the federal government had not continued to fund this important service. Listening to the member's speech, I was a little concerned myself. The Italian Diabetes Support Group allows elderly Italians suffering from diabetes to receive some support, and to cut off what amounts to such a small amount of funding seemed to be unfair. Of course, the matter also concerned the local federal member, Christopher Pyne, who had already written to the federal Minister for Health (Tony Abbott) to ask that this matter be investigated.

However, parliamentary life is full of traps for new players, and the member for Hartley, perhaps naively, thought she might use this group to score some political points in attacking the federal government. She has a track record on this: she was the one who accused the federal government of planning to ban the speaking of native tongues in public. The member for Hartley said that this federal government had cut

funding to the Italian Diabetes Support Group. This is simply wrong. The Italian Diabetes Support Group is funded through the Adelaide Central East Division of General Practice, and there have been no funding cuts that have affected that organisation. In a letter to Mr Pyne, Mr Nick Prescott (Chief Executive Officer of the ACE Division of General Practice) states:

The issue is not, as I understand, the payment of \$1 000 to the support group, but the supplying of a person to replace the original coordinator.

It turns out that the ACE Division of General Practice had an Italian speaking coordinator who supported both the Italian Diabetes Support Group and the Italian Heart Support Group but who, due to a change in their role, was unable to continue. The ACE Division of General Practice, acting responsibly, discussed the issue with the group and continues to facilitate speakers for the group. There was no mention of a shortfall or fanciful funding cuts. In his letter, Mr Prescott explained to Mr Pyne that he was working towards a solution. The member for Hartley has tried to play the blame game and has exploited a vulnerable group to do so. Rather than scoring political points by using these people in this way, she would have been better off working with the federal member to achieve a positive outcome.

#### PARLIAMENT HOUSE, VISITS

**Mr BIGNELL (Mawson):** In the past year, it has been my pleasure to take several groups of people from the electorate of Mawson around Parliament House to explain to them the history, the conventions and the running of our parliament. These visitors have included students from several schools, including Woodcroft Primary School (which is the state's biggest primary school), McLaren Vale Primary School, Hackham East Primary School, Hackham West Primary School, and Woodcroft College.

I remember the first time I came into this place as a grade 7 student with the school's local member, the member for Albert Park, Kevin Hamilton, who took the time to show us around South Australia's parliament. It really is the people's house, and the people of South Australia should take the time to come here and take a regular daily tour or ask their local member whether they can facilitate a parliamentary visit. In April there was a good turnout when the parliament held an open day to celebrate the sesquicentenary of this place.

It may be 30 years since my first visit to parliament, but it is still fresh in my memory. Just as Kevin Hamilton did for me, I aim to provide an interesting and informative tour to the children from the electorate of Mawson. Last week I was delighted to receive several letters from students from Woodcroft Primary School and Hackham West Primary School. They were extremely well written and very colourful letters. The students from Woodcroft Primary were here to receive certificates for their great work on projects celebrating the 40th anniversary of the referendum to allow Aborigines to vote in Australian elections.

While the students clearly enjoyed learning about the process and history of parliament, they also wrote of their pleasure at being taken behind the scenes to look at places like the Balcony Room, the pool room and the magnificent view of Adelaide from parliament's balcony. The students from all the schools have been extremely well behaved and are a credit to themselves, their parents and their schools. I will read to the parliament some of the letters I received last

week from the year 6 and year 7 students from Hackham West Primary. One states:

Dear Mr Bignell

I really liked having a tour around Parliament House on Wednesday the 16th of May. It was really fun looking around the green chamber and getting to look at and learn about the bloodline and some of the paintings that were on the wall. I'd also like to say thank you for showing us the red chamber, the library and the Old Parliament House. It was really interesting getting to learn about the chairs, seats and who sits in them. Getting to hear and read about some of the arguments was funny and I especially liked getting my photo taken with you. Thank you very, very much.

Yours truly,  
Chelsea.

Another letter reads:

To Mr Bignell,

Thank you for taking us on a tour of Parliament House. We had lots of fun. We are proud to have you as our Hackham West representative. Thank you for taking us to the red chamber and the green chamber. I really liked the globe that you showed us in the library. The paintings in the chamber were interesting and some day I would like to paint like that as I am an artist type of person. The tour was excellent and interesting. Thanks again. I learnt a lot.

That is from Zade. Another one reads:

To Mr Bignell,

Thank you for showing us around Parliament House. It was fun sitting in the Speaker's chair in the green chamber. It was interesting finding out who the old premiers were and seeing their pictures. I was also interested in the bloodline. The library seemed so huge and had lots of old thick books in it. I also liked the world globe that was really old and looked cool. The Old Parliament House was interesting when we found out about the old chair at the back of the room and what the room was used for. I learned a lot at Parliament House, thanks to your tour. I had a really good time learning about Parliament House.

Yours sincerely,  
Nicole.

Here is another one that will no doubt please the Speaker, who came in halfway through the tour:

I really liked the green chamber because I got to sit in the Speaker's chair and your seat. I liked all of the pictures and statues in the halls. The library was really cool. Most of the books were really old and I think the old globe was cool. Meeting the Speaker for the green chamber was an honour.

And to that I say hear, hear! The letter continues:

In the Old Parliament House the old chairs were fascinating. I thought Parliament House was going to be boring but I was wrong. It was really fun. It was the best day I ever had.

That was from Keely-Anne. Another one reads:

Dear Mr Bignell—

and it goes on to say—

I'd like to thank you for the tour. It is very big in the red chamber. The green chamber was also very good. I got to sit in the transport minister's seat and that made me feel very happy. Thank you sincerely for making my excursion interesting and fun. I would love to be a politician when I'm older so—

and this is in capitals—

WATCH OUT.

So, I have to be very careful of young Heavyn who was on that tour.

**The Hon. J.M. Rankine:** A succession trail.

**Mr BIGNELL:** A succession trail perhaps. It is interesting to see what the students point out and remember from their visit to Parliament House. It is not just groups of school students who come to visit parliament. Service groups, sporting organisations and individuals are all welcome here. Next week I will host 25 members of the excellent Willunga Neighbourhood Watch group for their regular monthly meeting. We will have a dinner here at Parliament House and

then go on a tour of the parliament, which I am sure they will find just as interesting as the students did.

Time expired.

### SCHOOL OF THE AIR

**The Hon. G.M. GUNN (Stuart):** I am very concerned about the welfare of my long-suffering constituents. I want to raise an issue regarding the School of the Air. The School of the Air at Port Augusta is an outstanding institution which provides a wonderful service to the people in the north. It is staffed by hard-working, dedicated people who have often worked under difficulties and have not, in my view, had all the resources that they should have. Sir Humphrey and his minions down here in Flinders Street appear to want to get them in their clutches and make life as difficult as possible which, from time to time, is their wont. I do not think they treated the principal (who has just retired) very well. He did an outstanding job but, as I said, he was not treated very well. I will quote from a letter I received from one of my constituents in the north, as follows:

Mr Gunn,

I am writing to you as a concerned parent about the School of the Air and the future education of my children and that of all isolated students. Like any parent, I am very passionate about my children's education, as well as the school that provides it.

A very reasonable comment. It continues:

The South Australian School of the Air seems to be continually fighting for funding and some of our existing programs are under threat. Staffing loads are just one example. Our school relies very heavily on ICT support as all the lessons, assemblies, languages, music, choir and meetings are delivered on Centra via computer. Yet this position has been reduced to 15 hours a week, responsible for both staff and student computers including repairs, maintenance and help desk issues.

As a remote campus of Open Access College. . . it is also vital that we continue to have adequate School Support Officers' support to assist the teaching staff. For example, teachers are required to take on additional duties such as answering telephones during their tea break in order to keep the school functioning during the day.

A major concern is that teaching loads have been increased to 100% load. Teachers are stretched to their limits. They will do what they can but in the end it is our children who will lose out.

The South Australian School of the Air is a unique school. It was established nearly 50 years ago to provide bush children with quality education. The programs are expensive but they are vital for these children who have no other option available to them. The SOTA doesn't fit the mould of a normal school therefore it needs to be funded in a more innovative way!

This lack of funding is impacting on the quality of our children's education. Difficult as it is, our children are entitled to access an education program that is equitable, successful and meaningful. Their parents and supervisors must have the support that they need to achieve this from School of the Air.

The letter is signed by a concerned parent. I have received a number of similar letters from my constituents. I draw to the attention of the house—and, in particular, the minister and her officers—that this school at Port Augusta and those people, particularly the itinerant teachers, are doing a wonderful job. It is unreasonable to put unnecessary barriers, hurdles or bureaucratic blocks in their way. Some of the things that have happened of recent times are just over the top. I do not know why anyone would want to make life difficult for them. They should be encouraging, helping and assisting.

Extra resources should also be provided to parents in these situations so that, when it is necessary to send their children south to receive secondary and tertiary education, they have some more financial help, because the cost is extreme and it is very difficult for some people to provide the basic educa-

tion to which their children are entitled. I therefore call upon the minister to be sympathetic and supportive of this. We do not want Marden being the place. We want Port Augusta to be maintained and supported and the services there increased. They do a good job, there are good facilities there and the time is long overdue for them to be improved.

Time expired.

### WORKCHOICES

**Mr RAU (Enfield):** I would like to raise an issue today that has come to my attention. It concerns the impact of the WorkChoices legislation on small businesses in South Australia and, in particular, employees of small businesses. I would like to explain the context in which I make these remarks. Members may be aware that businesses that employ fewer than 100 people are exempt from the commonwealth unfair dismissal legislation and the state unfair dismissal legislation that previously applied.

I would like members to imagine themselves in the following circumstance. They seek a job with a small business. They sit down with the owner of the small business and negotiate about the terms and conditions of their employment. The person I am imagining here might be a salesperson or a manager—not necessarily a factory floor operator, but someone who is doing a middle level managerial job, or something of that nature. When they are discussing the terms and conditions of their employment with the employer, they raise their salary, whether or not they are provided with a motor vehicle, for example, and superannuation. They may be asked by the employer to consider a restraint of trade clause, because employers sometimes say to their employees, 'Look, you are going to be in a privileged position working for me. You are going to find out who my customers are. They are going to get to know you.' In some cases, they have bought out another person's business and they do not want that person to be able to leave and compete with them, so they introduce what they call a restraint of trade clause. That clause might literally say, 'You cannot work in Adelaide in this business for six months after you leave me.' They are not uncommon.

What concerns me is that, under the present WorkChoices legislation, an employee who enters into a contract in those circumstances can have that contract unilaterally varied by the employer without consultation, and whereas previously they would have had a remedy by being able to go to the South Australian industrial commission saying that they had been constructively dismissed and that they were therefore entitled to reinstatement to their former position—in other words, having their contract rectified to where it was—the situation now is that employees in these circumstances have no remedy at all.

An unscrupulous employer can say to an employee, 'Look, you come away from the job you are in now—you might have been there for a period of time—you come and work for me. I'll pay you \$50 000 a year. I'll give you a car, and you fill-in this restraint of trade clause, and you can work for me.' The employee says, 'Okay,' gives up their safe job, goes to work for their employer, and within a few months their employer says, 'Oh, look, by the way, I don't want you to have a car any more. You'll have to supply your own car.' The employee has no option to get that fixed up under the present legislation—none at all. They have two choices: they either accept it or they leave and look for another job. If you are feeding a family and you are the breadwinner, you do not

have that luxury. There is tremendous opportunity for abuse. My information is that this is going on.

More particularly, if that person decides to leave, they are still stuck with the restraint of trade clause, which was part of the original agreement they made with the employer, which included, amongst other things, the motor vehicle and the original salary as part of the original package. They might have been prepared to accept the restraint of trade in those circumstances—that is, \$50 000 plus a car—but they never would have accepted it on the basis of \$50 000 and drive yourself around. They are stuck with it. This is just another example of where this legislation is working dreadfully against the interest of employees, this time it is not necessarily shopfloor employees. As soon as the economic cycle turns, there will be not a trickle of cases like this but a flood of them. The sooner this is fixed up and rectified the better.

### RURAL HEALTH SERVICES

**Mrs PENFOLD (Flinders):** The minister is effusive about South Australia's Health Care Plan. However, in my view, this Labor government has found a way of turning the majority of our state into a Third World country. I refer to the emasculating of health services in rural and regional South Australia where Labor policies and agendas are depriving people of basic health services. These were stated in today's ministerial statement, as follows:

South Australia's Health Care Plan is the basis of implementing the next steps of the Generational Health Review, and focuses heavily on driving primary health care. GP Plus health care centres will be the foundation of primary health care. They will provide advice on how to manage chronic diseases, provision of support for more in-home care, and guidance for those who want to stay healthy.

In one week, radio news sessions reported that a Cleve mother had to go elsewhere to have her baby because there was no anaesthetist at the hospital, despite the fact that an anaesthetist was not necessary for the delivery. Ceduna has a similar situation, where all mothers-to-be were to be sent out of the district. Grandmothers on Kangaroo Island issued an impassioned plea for common sense. A doctor at Tumby Bay, who has been delivering babies for years, said that he now feels like half a doctor since changes to health regulations insist that there is an anaesthetist within 100 kilometres of a woman giving birth.

How can country hospitals attract and keep doctors and staff who have all the skills when they cannot use them? It is a ploy to get them all to move to larger centres, thus deskilling large geographical areas of the state and greatly lifting the risk in times of emergency. The government is forever lifting the bar to suit its agenda to centralise by making the so-called viable state harder to reach. More country centres are being deprived of health services.

Referring again to obstetrics, Streaky Bay had a doctor who was willing to maintain his obstetrics skills and his indemnity insurance. The latter is a considerable cost. The community also had registered midwives. Now, the bar has been lifted again with this requirement to have an anaesthetist within 100 kilometres of the hospital. Many of these hospitals are more than 100 kilometres apart, therefore, the requirement is a de facto withdrawal of obstetrics over the majority of regional South Australia. The government has put in place a sneaky method of reducing our state to conditions that exist in Third World countries or our regions in the past.

The necessity for a resident anaesthetist is questionable. Pre-natal visits and tests, including scans, pick up on

problems prior to the delivery, thus allowing arrangements to be made to cover possible problems; however, the majority of births are incident-free. Another ploy is to state that a certain number of births are necessary for viability, yet women are sent away from their home base because of government regulations; therefore, the maintenance of statistics is impossible. Again, it is an underhand way of removing medical services from rural and regional South Australia.

I have been told that the number of births by caesarean section is increasing. This is understandable when viewed against a family's life. By having a caesarean, a mother can set a time for the delivery and then plan around it to cope with the many problems that going away from home and family creates. Cost is a big factor, as are time, family disruptions such as children getting to and from school and work responsibilities for themselves and their partners. What should be a simple matter becomes a logistical and financial nightmare.

Questions of safety arise as a result of the government's current practices. The likelihood of road accidents rises as families stress out about where and when to go for a birth. A woman at Wudinna arranged to have her baby at Kadina. She and her husband left, as they thought, in plenty of time before the expected date of arrival. The couple got as far as Port Augusta where she had her baby. This is the type of event that happened in the early years of last century when doctors and hospitals were few. The likelihood of delivery in the car on the way to the hospital has increased proportionally to the removal of the services from country hospitals, taking us back to the situation that existed last century. With such deliveries there is a greater chance of damage to the baby and the possibility of infection to the mother—both issues that take our people back to conditions that exist in Third World countries. The question also must be asked: is the Labor government deliberately de-skilling remote regional hospitals, reducing staff and doctors, and ignoring the ordinary men and women who are the backbone of our state and whom Labor claims are its special concern?

Time expired.

### YOUTH PARTICIPATION

**Ms SIMMONS (Morialta):** I rise today to speak about the importance of youth participation in this state. It is critical that our government ensures that young people are supported and provided with opportunities to participate in their communities. I understand that, under the direction of the Minister for Youth, Paul Caica, the Office for Youth has undertaken a substantial amount of work towards community development in this area. Building communities is a key feature of the South Australian strategic plan, and it is integral to the development of an inclusive, supportive and prosperous state. Young people are a very critical component in community development, as they are the future of our community and, as such, the South Australian government is committed to strengthening young people's connections with their communities, developing the skills of young people and providing opportunities that enable them to be meaningfully involved in decisions that affect their lives.

Youth participation recognises and nurtures the strengths, interests and abilities of young people. It gives young people opportunities to have an impact on issues that affect their lives and contribute to building communities. At the broad level, youth participation recognises that young people have

the right to be involved in areas such as community, multicultural affairs, the environment, health, education, training and employment. At a political level, it describes the inclusion of young people in decision-making processes such as their involvement on advisory boards and voting in elections. One of the best examples of the community based youth participation process are the youth advisory committees (YACs). An extensive network of YACs has been developed across South Australia to support young people participating in community building.

I congratulate the Minister for Youth who, through the Office for Youth, supports the YACs to increase the participation of young people in local decision making. YACs enable young people to actively participate in their community and provide their views on youth and community issues that affect them. 650 young people across South Australia participate in YACs on a regular basis. There are currently 61 individual YACs operating in metropolitan, regional and rural local council areas across South Australia, including two indigenous-specific communities. 70 per cent of these YACs are based in rural and regional areas.

I am pleased to say there are some very active YACs within my electorate of Morialta. Dan Popping is the youth leader in the Campbelltown council area and runs a very exciting program together with his Youth Advisory Council. Included is the Know Your Limits Alcohol Awareness Program, that I spoke about in this place last year, which was developed by Dan in response to the alarming statistics and growing concern with respect to binge drinking and alcohol-related incidents among young people.

The Campbelltown YAC has also recently run an event called Race Around the World. This event is a local version of *Survivor* meets *The Amazing Race*, where teams of young people solved cryptic clues and participated in a series of physical and mental challenges which took them to all corners of the Campbelltown council area, visiting over 15 local places and spaces, businesses and sporting facilities. The program aimed to encourage local young people to be active, provide a free recreational opportunity to young people, and to foster a sense of connection to the local community. In addition to this they also launched a booklet entitled *A Youth Guide to Local Places and Spaces in Campbelltown*, where local young people had reviewed a number of places and spaces. Their words and reviews were consolidated into a 30-page colour booklet and 2000 copies were printed and distributed in schools for local young people, local businesses, libraries and community centres.

Last year I was also privileged to attend a forum organised by the Office for Youth to enable young people from YACs to contribute to the consultations held around the future direction of the South Australian Strategic Plan. The young people provided advice and insight into how many of the targets could incorporate a youth perspective and also provided a fresh perspective to identify strategies aimed at addressing key government and community issues. I am also pleased to report that a number of the groups within my electorate have also participated in the highly successful Active8 Premier's Youth Challenge. The Magill Youth Education Flexicentre receives a grant to run the Active8 program for 16 participants. This Active8 program is a joint partnership between the Flexicentre and a Future Leaders program, a combined Guides and Scouts South Australian program.

Time expired.

## STATUTES AMENDMENT (BUDGET 2007) BILL

In committee (resumed on motion).  
(Continued from page 413.)

Clause 6.

**The Hon. K.O. FOLEY:** As I indicated earlier, the bill is not retrospective at all and would be applicable from the 2008-09 financial year. The payroll tax reductions will be applicable from 1 July 2007 but, because of the billing cycle, it will not matter when the bill passes the house because it is done in arrears.

**Mr HAMILTON-SMITH:** In relation to new section 13A, the question was whether there would be any form of review of decisions made by the Commissioner under new section 13A or any process for objection or judicial review. The reason for the question is that our advice is that there should be some process for review because it might not be sensible for the Commissioner to issue a notice under new section 13A(7) or (8). It might be preferable to have it linked to the review process of the Taxation Administration Act.

**The Hon. K.O. FOLEY:** The land tax bill is subject to all the provisions of the Taxation Administration Act, which gives full rights of objection to me as Treasurer and then, ultimately, appeal processes to the Supreme Court. This amendment slots in with that arrangement.

**Mr HAMILTON-SMITH:** The final question relates to new section 13A(2) and the words 'is satisfied that there is no doubt'. These words are of concern in the context of taxation law. The particular issue was that ordinarily litigation of taxation law matters is based on the civil level of proof, that is, on the balance of probabilities. This bill seems to take the level beyond the criminal level of proof, that is, beyond a reasonable doubt. The bill seems to require 'no doubt' in the mind of the Commissioner. How would a taxpayer prove otherwise? There is a feeling that this might need to be opposed, particularly in the absence of any legislative guidance as to what matters the Commissioner should or should not consider. This position is totally objected to by some stakeholders, particularly in regard to the concept of open, fair and transparent legislation. Even with review provisions, a court is duty bound to come back to the words of the legislation and would have no capacity for delivering a fair outcome, in the view of some.

**The Hon. K.O. FOLEY:** In new section 13A(2), if a person's interest in prescribed land is 5 per cent or less, the onus of proof is on the taxpayer. I would think it is appropriate that the taxpayer has to prove that. If it is between 5 per cent and 50 per cent, the onus rests with the Commissioner. Paragraphs (a), (b), (c), (d) and (e) of subsection (4) outline the matters for which the Commissioner must have regard when assessing the interests in those lands. We think that is fairly clear, but I am happy to take advice if there are other ways of expressing it.

**Mr HAMILTON-SMITH:** The concern raised with us is that it is fairly prescriptive. The Commissioner must be satisfied that 'there is no doubt' where it could have provided 'on the balance of probabilities' or 'beyond a reasonable doubt'. There is some concern that the courts will need to rely wholly on the words and that it might result in some unfairness.

**The Hon. K.O. FOLEY:** We drafted this amendment quite deliberately. It is quite explicit. Where it is under 5 per cent you have got to be able to prove that it is not for tax

avoidance purposes. We think it is a black and white issue, which should be easily resolved one way or another.

**Mr HAMILTON-SMITH:** We will look at that answer between the houses and get back to the stakeholder concerned. Where a threshold levy might be set to provide the same degree of relief, had we chosen that option rather than a reduced levy rate what would result?

**The Hon. K.O. FOLEY:** I think am I right in saying if we had left the payroll tax at the same rate but only increased the levy. I will come back to the member with that information. That will be a detailed calculation and I would rather get the exact figures for the honourable member.

Clause passed.

Title passed.

Bill reported without amendment.

Bill read a third time and passed.

### APPROPRIATION BILL

Adjourned debate on second reading.

(Continued from page 416.)

**The Hon. L. STEVENS (Little Para):** I was pleased as the member for Little Para to see health as the centrepiece of this year's state budget, providing some very good news for my electorate, in particular, an additional \$205 million for a further upgrade of the Lyell McEwin Health Service (which has already had about \$120 million spent on it over recent years) and also I think about \$6 million on a GP Plus Centre, a primary health care centre and a mental health recovery unit. As well, my electorate will benefit from other aspects of the health budget in terms of recurrent funding.

Today I want to talk about health policy and the Generational Health Review. Any suggestion by anyone that the government had no health policy four months out from the last election is simply untrue. In fact, it is insulting to the ALP, its convention and party structures, not to mention the enormous amount of policy work flowing from the Generational Health Review by myself, drawing on the resources and willing participation of patients and their families, advocacy groups, nurses, doctors (particularly the South Australian Divisions of General Practice), paramedics, allied health workers, the aged care sector, health academics, community organisations, bureaucrats and hospital administrators from both the public and private sector, to name some. The AMA was one of those stakeholders, but only one of the numerous sources which provided information.

It is fair to say that the AMA has a tendency to see itself as having all the wisdom in relation to health. Of course, it does have some of the wisdom, but so do all the other stakeholders. As minister I afforded them their place in the sun, but certainly not all of it. During my term as health minister, I worked with five different AMA presidents: Dr Rod Pearce, very briefly as he was just finishing his term; Dr Joe Levy; Dr Michael Rice; Dr Bill Heddle; and Dr Chris Cain. I believe that those were constructive working relationships, particularly with both Dr Michael Rice (whom I later appointed as chair of the clinical senate) and Dr Bill Heddle. I had great respect for both of those people.

The government's health policy and planning flowed from the 74 recommendations of the Generational Health Review which, as the Premier announced before the 2002 election, was to be a 20-year blueprint for the improvement and rebuilding of South Australia's health services and health system. If we remember the context in which that announce-

ment was made, we had had eight years of Liberal government, a lack of planning, attempts to privatise the health system and no clear understanding or commitment to any strategic way forward; and so it was not before time that such an announcement be made. In the context of limited resources, escalating demand for services and workforce shortages, John Menadue's central tenet in the Generational Health Review was a primary health care focused system aimed at keeping people healthy and, where possible, intervening early and providing treatment in the community.

This was to be developed alongside an efficient acute health care sector, working as an integrated system with planned service delineation related to the communities being served. However, the recommendations of the GHR were broader and included population-based funding; governance changes in terms of regions and the appointment of health service board members; accountability and transparency, including strong consumer participation, work force development and addressing health inequalities and human rights, particularly in relation to Aboriginal health and mental health. The government released and responded to the Generational Health Review in June 2003. It adopted almost all recommendations and began work in a number of areas.

These included mental health reform; more hospital avoidance programs and services, particularly in conjunction with the aged care sector and general practitioners; the development of primary health care networks, in close cooperation with the South Australian Division of General Practice; a business case for the Health Call Centre (this initiative has now been taken over by a national approach, which, hopefully, will soon bear fruit); early childhood development; and new governance arrangements.

At the same time, the government embarked on major capital works in most metropolitan hospitals and built the first two primary health care centres (now rebadged as GP Plus centres). The government addressed, through the regional boards, particularly in the metropolitan area, a range of long overdue improvements to systems management in our hospitals. The government also established the Health and Community Services Complaints Commissioner, whose specific task is to investigate complaints from consumers and to drive improvements in services.

In the context of the first 2½ years of a 20-year plan, the first steps have been taken. Millions of new dollars have been spent, and the policy reflects progress, with the proviso that much more work has to be done. This is particularly so in terms of establishing a robust and sustainable primary health care sector. The work that has been done in the first 2½ years is only the beginning, and it will take many more years of effort and significant resourcing to achieve a sustainable primary health care sector.

The funding of this reform will take courage and commitment, because governments will not be able to continue to pour new dollars into health at the current rate into the future. It will mean transferring resources from the acute sector into the primary health care sector, and it will mean better organisation of our acute services. It should mean national reform in the way in which health care is delivered in Australia, because we are all in the same boat and the current arrangements between federal and state governments are unsustainable. It will mean standing firm against the vested interests—powerful vested interests—whose interests lie in retaining the current illness-focused, acute care dominated system.



In summary, the government certainly had a clear health policy four months before the last election. The government's policy had passed through the ALP's processes and was voted through the ALP's policy convention ahead of the last state election. The policy was to continue the reforms flying from the recommendations of the Generational Health Review, that is, to develop a robust and sustainable primary health care focused system; to deliver a better delineated and efficient acute sector; to deliver better integration of services through regional boards; to get hospitals and services working together rather than competing with each other; to place consumers at the centre of their care and to ensure that they had a voice in policy development and in dealing with issues that required improvement.

I once again thank the hundreds of people who assisted in the development of this policy and who believed in the Generational Health Review, namely, the patients, their families, the advocacy groups, the doctors, and especially the South Australian Divisions of General Practice which, early on in the first term of the government, signed a memorandum of agreement with us to develop primary health care networks. That organisation has already done a fantastic job in addressing chronic disease management systems throughout the metropolitan area and across some country areas. I also thank the nurses, health academics and all the other people I have mentioned.

My thanks also go to Mr Ray Grigg, who has announced his resignation as Chair of the Central Northern Adelaide Health Service Board. Ray took on that job with great gusto, and the Central Northern Adelaide Health Service has achieved many reforms in terms of service delivery. Ray achieved many good things, and I am sorry he will not be there to lead that health service forward.

I would like to thank all the people on the boards in the metropolitan area and all the workers in our health system. In particular, I would also like to thank and pay recognition to the country health services and to the members of the health service boards, who undertook a range of very important reforms. In the last year I was minister, I remember hearing from the Wakefield Regional Board how it had nominated a 5 per cent transfer of resources in its services budget from acute care into primary health care services. That was just one example. Country health boards embraced this measure with enthusiasm and made great strides, in terms of the primary health care services that they put in place across their regions.

The direction outlined by the Generational Health Review was done for South Australia: it was put in place for this state. However, the interest in the Generational Health Review went far wider than this state. There was interest right across Australia and internationally. The direction in which the Generational Health Review pointed is where everyone must go, in terms of the delivery of health services into the future, and it is the direction in which all other modern health care systems are aspiring and it is one which I am very proud to have led in this state.

**Mr GRIFFITHS (Goyder):** Before I commence, I would like to commend the member for Little Para on her contribution to the Appropriation Bill. The passion and commitment that she demonstrated in that short speech would have been evident in the way in which she handled the portfolio when she was minister. I say to her: well done. One of the basic requirements of being a politician (and we all consider

ourselves to be humble servants of the people) is that you actually talk to people.

**The Hon. P.L. White:** Some more humble than others!

**Mr GRIFFITHS:** True; some more humble than others.

The people to whom I have spoken say there is one thing that is obvious about the Rann government: it will only be remembered for talking about things and not delivering. Sadly, this budget—a budget that provides nearly \$4 billion (or 50 per cent) more money than was available to the Liberal government of 2001-02—is another example of this 'all talk and no action' philosophy.

Budgets are supposed to be visions for the future, with details on how that vision will become a reality. However, we who live in South Australia get something different from that. We have investigations on a water desalination plant for Adelaide and increasing the storage capacity of Mount Bold and, the biggest vision of all—possibly the building of a memorial to the Premier—the Marjorie Jackson-Nelson hospital. Budgets should be about services for all people, but what do South Australians receive? We get a budget that makes schools pay for WorkCover and reduces the money available for water and electricity. We get a budget that takes another \$200 million out of SA Water in dividends, without being prepared to invest in vital water infrastructure. We get a budget that guts the regional health system and is tipped to eventually enormously downgrade suburban hospitals. We get a budget that does not adequately maintain our roads.

The Liberal opposition has tagged this as a budget of debt, disappointment and delay. From the heady days of Labor's gross mismanagement of the state and a general public sector debt level of \$11.6 billion in 1993, the Liberal governments of Brown, Olsen and Kerin reduced debt to \$3.2 billion. These were Liberal governments that got on with the job of providing the services and infrastructure that South Australians needed. These were Liberal governments that paved the way for Treasurer Foley's much-trumpeted AAA credit rating by making the hard decisions.

After the heady days of the State Bank, I think that any future Labor government would have learnt the lessons about debt. Sadly, however, that is not the case. South Australians now face the reality that this budget and its forward estimates indicate a tenfold increase in general government sector net debt, from \$150 million to \$1.443 billion in just over four years. The question I ask is: what are South Australians going to receive for this debt? Do we receive the infrastructure necessary to ensure that our economy grows, or do we just see debt being used to fund recurrent expenditure? Sadly, the Rann Labor government has chosen the worst possible option, that of increasing debt but building nothing, with recurrent expenditure increasing.

South Australians are disappointed with this budget. The projects that are happening cannot be managed. Blow-outs occur all the time—and the Northern Expressway is the worst example of this. The people to whom I have spoken have asked me: how can a project go from \$300 million to \$550 million in just 18 months? People continually ask me: how can the government get it so wrong? Families, pensioners and small business are disappointed with this budget. All they will receive is higher taxes and charges. Water charges will increase by 7 per cent and public transport by 8 per cent. Car registration fees are to increase, as are hundreds of fees and charges, many by a lot more than CPI adjustments.

This budget is one of delay, because the big ticket items are not being built this year; in fact, they will not even be built to the end of the forward estimate period in 2010-11.

The new prisons announced last year will not be open. A secure water supply network for Adelaide will not exist, because the government refuses to pursue a water desalination plant. All it does is investigate options, and it does so continually. A new hospital (one that the government must think will cure all the ills of South Australians, because it wants to spend \$1.7 billion on it), will not be built until 2016.

There are a few issues that I wish to discuss briefly before focusing on my shadow portfolio of employment, training and further education. In regional health, the forward estimates show a reduction of \$10 million for each year, beginning in the 2008-09 financial year. The provision of hospitals and doctors is a key to encouraging people to live in regional South Australia. The important thing for the government to remember is that 400 000 people live in the regions; slightly over 25 per cent. If we do not have services, we will not attract people to live in those areas. The focus in the health budget, as I understand it, appears to be on developing the Whyalla, Port Lincoln, Berri and Mount Gambier hospitals, which will be fantastic for those communities and the people who live close to them. But what about for the rest of us? With our ageing population, services will need to be available.

Within my own electorate of Goyder, I have a median age of about 47, which is one of the highest for any area in the nation. It is important that we have good health facilities available close by, or the future of our region is really at risk. I also ask the question: without a reasonable hospital, how will we actually get doctors recruited to areas? People need GPs to be available; they need to be able to visit the doctor. If you do not have a hospital, it is so much harder to recruit. I think that we have all heard the story of a regional country town in New South Wales that recently offered half a million dollars as a sign-on fee to try to get a general practitioner.

In regard to education, I have actually had three of the small schools within my area contact me about the future of the small schools grant. Our observation is that we cannot spot anything in the budget that says it will be reduced, other than the announcements that came out last year. I hope that those \$30 000 grants are still available to all of the small schools. When we ask the minister questions during question time, minister Lomax-Smith continually talks about—I hope the figure is correct—37 per cent more for public education under the Rann government than the Liberal government previously provided. Well, I do not think that argument holds any water any more. Parents want to know what has to be cut from school programs to suddenly fund the WorkCover costs.

All of a sudden, they have to come up with 1 per cent of their wages for the year as a levy towards WorkCover while also facing the risk of having to pay the first four weeks of a claim for the teacher or staff member who is off on workers compensation plus the first four weeks of the replacement teacher or staff member. The odds are that it will probably cost \$10 000 at least per exercise. In these situations I wonder how often teachers will actually stay at work out of loyalty to their school, only exacerbating their situation. We also have the 25 per cent cut in water and electricity costs available to schools. Parents want to know why it is that their fundraising effort will no longer go towards building the playground, buying new desks, or putting new chairs in classrooms, but instead be used to fund the gap in recurrent cost expenditure. I also want to know how much time the principal and the administrators in the schools will devote to managing WorkCover claims. Has the minister ever actually been involved in managing one of these?

In terms of road maintenance, it is obvious that this is not very much the focus of the government. However, it is important, and the people in the communities that I represent and I want to know why only \$14.1 million is available over a four-year period for road maintenance. Before the 2006 election the opposition and the RAA called for a \$200 million injection into road maintenance for the state. The RAA was instantly labelled by the government as Liberal sympathisers, and they were bounced on by the government. The opposition called for this amount of money to be spent as we knew we were sitting on a time bomb made up of the roads that were about to fail and break up. The government does so little about it that it is actually a joke.

I travel about 60 000 kilometres per year, much of it on Transport SA roads across the Mid North, the Yorke Peninsula and towards Adelaide; therefore, I feel somewhat qualified to make a statement about the condition of the roads within the communities that I serve. Transport SA staff do the best possible job they can with the resources available to them, but they need far more. The mining expansion in the North will put enormous focus on the regional road network. Regretfully, I am fearful that the government is not providing enough money to ensure that those roads are up to scratch.

Water is a big focus for me, and one that I always want to ensure that I maintain while I am in this place. In this time of real fear about our security of our water supply, the government is on notice for not doing enough. People want to have the security of being able to turn on the tap and knowing that water will actually come out. Instead, what do we get? We get confirmation that, in July, we have to use a bucket if we want to water outside. More needs to be done; not just investigations into increasing Mount Bold and expanding it by providing an initial 190 gegalitres of extra storage so that Adelaide actually has in place two years to reach capacity. Also, we must do more than research the sea water desalination option: we have to go out and build it. Regional SA needs the security. We have heard about the crisis in the Riverland where those poor devils have to ensure that not only do they get a return this year through their crop but also that what they grow will be there in the following years if they cannot get sufficient irrigation. Water is an important issue.

Money must be there, because the Rann government has taken \$1.6 billion from SA Water in dividends and payments since 2002-03. The importance of water cannot be overemphasised. It is a critical factor for the human species, and access to a potable supply will be a major factor in the economic future of South Australia. I try not to look at the polls very much, but I did take special note of the recent one which had good and bad comments. It highlighted the fact that 85 per cent of Australians rated the security of their water supply as the most critical issue in the upcoming federal election. I would have thought that the Rann Labor government would identify that, given the crisis that South Australia is facing, and done something about it; but it is obvious that it has not. The Liberal opposition came out with a plan in January for a desalination plant. I call upon the government to follow our lead and make that happen. Eventually, South Australians will see through this lack of action.

In terms of economic growth, I note in the budget that in South Australia it is estimated to be 1 per cent in 2006-07; this was after setting a target of approximately 3.25 per cent. The Treasurer publicly stated that the result of 1 per cent is due to the drought, and there is no doubt that that is an important factor. But, interestingly, in the same period, when

drought has been gripping the majority of Australia, the federal government prediction of a 3.5 per cent growth in the economy has been realised. The prediction for South Australia in 2007-08 is for a 4 per cent growth. I find this assessment rather amazing but, obviously, the Treasurer is working on the fact that it will rain, that our drought problems will go away, and that everything will be okay again.

I sincerely hope that the wonderful opening rains that we had will continue, because it is important for all of us, but the fact is that coming out of a drought is actually harder than living through it. People take time to develop the confidence to spend again; they actually take time to get an income back again; and business takes time to pick up. The Labor government needs to understand that. A sudden leap from a 1 per cent growth to 4 per cent growth sounds wonderful, but if it does not happen what will happen to the budget? Does it mean that the projected \$30 million surplus suddenly becomes \$100 million deficit?

In terms of budget control, I noted that in 2006-07 estimated expenditure will be \$454 million more than the budget figure. I acknowledge that initiatives determined by the government during the course of the year would have contributed towards the extra expenditure, but my understanding is that this is in the range of about \$190 million. This leaves an imbalance of \$250 million—or a quarter of a billion dollars—for which I, in my quick look, cannot find an explanation. Obviously, we will try to flush that out during estimates, but it is an important matter.

Where has this money been spent? Was it just in overruns of department and project costs where there was little or no material benefit received by South Australians? I am not sure. Income was up to balance this which, in itself, raises the question of how, in a budget where growth was tipped to be 3.25 per cent but only realised at 1 per cent of economic growth for the state, we can actually achieve additional income above budget of \$400 million? It is a very interesting budget principle about which I hope I am in this place long enough to learn how it works. Employment, training and further education budget lines are always interesting to me, as they are important to the future of South Australia. Employment numbers are in the vicinity of 758 000 in the state, and that number was significantly rescued by a jump of 7 000 in May alone, which was able to arrest a slide of employment numbers from August of 2006.

I made a contribution about a month ago when I talked about the fact that in the 13-month period since the introduction of WorkChoices legislation federally, there had been job growth of 276 000 in Australia. Based on the fact that we have 7.6 per cent of the population, our job growth should have equated to 20 800 but, in essence, we had only had 800 jobs created; so, we are 20 000 jobs short. Instead of getting 7.6 per cent of the growth, we only have 0.3 of a per cent of the national growth. I think anybody who wants to make sure our state has a future should be disappointed with that because it is a disgrace. Youth unemployment is chronically far too high, and it always has been. In my short time here it has been between 25 per cent and 30 per cent continuously, and it has to become a focus for the government because our kids are clearly the future of the state.

Training opportunities are going to be critical to our work force as the demand for skilled employees continues to grow. There are a couple of interesting statistics. Work force participation, as I understand it, across all the age groups is about 62 per cent but, in a submission we heard yesterday at a hearing of the Select Committee on Balancing Work and

Life Responsibilities, we were told that between the 50 to 65 age group, work force participation was only 50 per cent. This is a key age group of people with skills who can actually meet much of this gap, so it is important that programs are in place to give those people a second or third chance, to make sure they have the skills that employers are looking for and to make sure that they are backing up the workplace as soon as possible.

The minister has recognised this to some degree, and I acknowledge the fact that he announced a program probably three months ago on this, but let us hope that the push continues. Reading through the budget paper, I note that SA Works in 2006-07 provided learning and work program opportunities to 25 000 people. I would have thought that, with the demand for people to get into the workplace, the targets set for this year would actually have increased but instead it has gone down by 800. It seems crazy to me; it is as though we are being too conservative again. Let's actually challenge ourselves in the target that the budget sets and make sure that we strive.

Another question I have is: how does the government plan to reach the target of improving the proportion of apprentices and trainees actually completing their training in 2007-08? A simple example to me is the situation with apprentice locksmiths. Because there is no training opportunity in South Australia, they have to go to Melbourne four times a year for two weeks each time. They stay 12 nights in Melbourne. They are compensated for the cost of their airfares and, for their accommodation costs, they are given the princely sum of \$240 (or \$20 a day). How does that encourage people to be involved in that industry?

TAFE student hours are being increased in the targets, and I commend the minister on the fact, but I ask the question that, with everything I have heard about the reduction in staff numbers within the TAFE network taking away capacity for training hours to occur, how is that going to happen? We know that regional TAFE has had staff cuts in the past two years. Again, that is going to continue with the whisper out in the marketplace that the metropolitan TAFE is also going to be affected.

Budgets are about providing a vision for the future by the provision of services and infrastructure, and that is what we all come to this place everyday for: to try to make sure the best decisions are made. However, I believe that this budget does not provide that vision. I come back to the point that our leader has been focusing on when he is categorising this budget: it is a budget of debt, disappointment and delay. Clearly, South Australians deserve much better.

**Ms SIMMONS (Morialta):** In contrast, I rise today to support this visionary and focused budget which seeks to address the needs of the people of South Australia well into the future and well beyond the next election. It is a plan for the state, not for re-election. Firstly, this budget makes good health a focus and a priority. It addresses both the issue of primary health care, which seeks to manage preventative health measures and chronic health conditions, and acute medical services, which can only be addressed within the hospital system. I want to say upfront that I fully support the building of a brand new state-of-the-art hospital which will not only lead the way in Australia but also will put Adelaide on the international medical map and attract more international medical experts to our state.

I can assure you from a personal experience that when overseas doctors are looking to relocate not just themselves

but also their families, whether it is for a two-year or three-year elective period or permanently, the whole family is involved in the decision-making process. The medical practitioner obviously wants to locate to a hospital where they will have their work needs met, where they can learn, teach and treat their patients with state-of-the-art equipment, surrounded by colleagues who can support and share their dedication and development of their skills and knowledge. However, they will also be looking for an area where their families can enjoy an excellent education, climate and facilities and a location where their partner will have ample opportunities to also find employment and a future for their children. South Australia is well placed to provide all of these needs and our community will grow and develop as a result.

As members would be aware, I spent some time working in both the disability and ageing sectors before coming into parliament. Research shows that South Australia has the highest proportion of older people in the whole of Australia. Currently, one in six people in this state are over the age of 65 years—that is already a huge percentage. However, we are now so good at maintaining the health of older South Australians that this figure will nearly double within the next 15 years. The baby boomer population, which covers over half of us serving in this place, has the potential to seriously eat up the whole state budget in medical needs by the year 2048.

If we do not make bold plans now to change the way we deliver health services, reform the way the health system works, and not tinker around the edges—which the opposition has suggested is the way we go—by trying to revamp the ageing Royal Adelaide Hospital. Experts have estimated that it would take 15 years to refurbish the RAH, and patients and staff would have to put up with the inconvenience of refurbishment during that time. I do not know what members opposite have found, but I have been renovating at home for just six weeks and it has been extremely difficult for the whole family to get on with their everyday life while this is happening. The dust and the dirt, as many will know, has gone everywhere, including rooms not being decorated. The government has decided that we did not want to see this happen at our major hospital. Building a new hospital will take only nine years; six years less than a refurbishment, with much less inconvenience and frustration to the people who really matter: the patients and the staff who support and heal them.

My experience in the area of ageing also tells me that older people have very different health care needs from the rest of the population. The numbers suffering from chronic diseases is growing dramatically, and will grow exponentially when the baby boomers reach 70. Diabetes, cardiovascular disease, osteoporosis, obesity and some cancers all have to be managed. However, much of the maintenance of these diseases does not need to happen within the acute care system. The Generational Health Review Commission established by the previous minister for health, Lea Stevens, strongly recommended that we take steps to refocus the culture of health care, to place an emphasis on preventative measures and to ensure that our community stays healthy; and that by improving our lifestyles, exercising regularly and eating appropriately, we actually engage the community in taking responsibility to make healthy choices which will prevent illness.

Not only does the government include goals for healthy living in the South Australian Strategic Plan, but we have now opened two new GP Plus health care centres in Adelaide,

with another eight metropolitan centres planned. These centres are designed to take the pressure off our emergency hospital departments, to help the community take control of their own health needs—especially chronic health needs—and to reflect the needs of each particular community. GP Plus centres will also be developed in rural areas, beginning with Ceduna and Port Pirie.

There is no doubt that older people do better if they are kept out of the acute medical system. Whenever possible, GP Plus centres with a holistic and integrated approach to care, together with the expansion of rehabilitation services in the home, will better support the health needs of older South Australians well into the future. Communities with older populations will benefit from specialist programs being set up at Modbury Hospital, Queen Elizabeth Hospital and the Repatriation Hospital. It will also increase their focus on and expertise in palliative care services because, like it or not, the huge increase in an ageing population in this state will mean a huge increase in the need for palliative care, whether for cancer sufferers or those suffering from renal failure—particularly those with type 2 diabetes—respiratory disease and cardiac disease. They will need and deserve to receive very special care in their end-of-life stage.

I am also a huge fan of the statewide clinical networks currently being established, because the focus of these groups will be to link hospital doctors, GPs, nurses, allied health professionals and community groups to work together to fully integrate services across the whole health system, whether that is hospitals or GP Plus centres. This will create holistic solutions to common problems which have built up over many years. I am of an age now where I have two very close friends who are currently undergoing chemotherapy treatment. Both have articulated how much better it would be if they did not have to go into the hospital for this treatment. The reality is that there is not a clinical reason why they should have to go to the hospital.

The cancer clinical network, chaired by Associate Professor Brenda Wilson, is looking at alternatives which will particularly assist country patients, as well as patients in the metropolitan region, to be able to have their chemotherapy outside of the hospital system. This is both a physical and a psychological benefit to these patients.

I would also like to make some comment about the name of our new hospital—the Marjorie Jackson-Nelson hospital—which has now also been deemed to be called the ‘Marj’. When I was out doorknocking last week, it was commented on by several of my constituents as I was going around, and I think one of those constituents put it very clearly. She, like Marj—our wonderful Governor—had lost her husband to cancer several years ago, and she perhaps had not had the ability or the knowledge to go out and do the volunteer work that our Governor has done, particularly in the area of leukemia research. However, she was so delighted that the new hospital was going to be named after the Governor because she felt that this Governor has been a Governor of the people.

She had met Marj at one of the volunteer gatherings that took place at Government House, and had been overawed by how welcome she had been made to feel by our Governor; how well able our Governor was to relate to the people of South Australia and their needs, and she thought that we had chosen very appropriately, because this is a person, whether or not it involves being Governor, actually represents all those out there who have gone through what the Governor has gone through and lost their spouse and who have volunteered

on behalf of this state in whatever aspect it might be—in this particular case, in the medical aspect. She felt that, by calling this new hospital the Marjorie Jackson-Nelson hospital, that was a tribute to all the volunteers in South Australia, and to all of those people who have lost a partner or a child through cancer, and she was more than happy to congratulate us on this particular initiative. The person to whom I am referring was also very angry with some of the talkback that she had heard on radio that day, and brought up this subject with me, completely voluntarily, without any prompting from me.

Given time restraints, there is just one area of the budget on which I would like to comment. I am thrilled that this budget includes \$94.3 million of new funding over the next four years to implement the Keeping Them Safe in Our Care program. Alternative care is a serious and growing problem in our community. The number of children with serious and complex needs has been growing rapidly in the past 10 years. I am proud to have been a foster carer in the past, and I pay tribute to the children who have been in my care. They are fantastic achieving and independent young people. These children would be in dire straits if it was not for the foster care system. I pay tribute to all foster carers across our state. Often they are unsung heroes—and we need them desperately.

As a government we understand that too many children and young people are living in interim accommodation because the demand for care placements has outstripped supply. We know that we need to recruit new foster carers for specific children. We have heard the call that we need to speed up and streamline carer assessment, and we need to increase the level of support provided to relative and kinship carers, particularly grandparents who often step in to the breach and really need a lot of support to look after their grandchildren and bring up a new generation when they think their work has finished in this area. We have made a commitment to do all these things. The budget provides an immediate increase of 5 per cent to carer allowances, and a strong commitment to a major reorientation of our resources to provide support and services to families and carers and the children in their care.

I think we all would agree on the following sentiments: all children, especially those in our care, deserve a whole-of-life approach to their safety and wellbeing; all these children need us to realise their individual potential and to provide them with opportunities to know their culture and community; and all these children need nurturing, stability and predictability in their life and a sense of belonging. These goals can be achieved if we respect and value the contribution of those who provide alternative care to our children. It is also vital that we keep listening to the children in care and those who have been in care previously, as they are often the best barometer of what is needed. They are able to identify the gaps in the care system and to let us know what would have made the quality of their life better; and we need to react quickly to these discussions. I believe that the additional funds and services targeted to the Keeping Them Safe in Our Care program will go a long way to assist alternative care in this state. I commend this bill to the house.

**Mr WILLIAMS (MacKillop):** The budget debate is always an interesting time. It can be frustrating for oppositions because governments use the budget to make new announcements, come out with new initiatives and generally capture the imagination of the people of South Australia. Of course, that makes life difficult for the opposition, which has

to wait until budget day and then react quickly to the initiatives that have been announced. During my time in this place I have seen a number of budgets delivered over the years. Of course, the early budgets back in the late 1990s (when I first came here) were still reflecting the collapse of the State Bank and SGIC and other government losses. Budgets never really achieved or gave the government of the day the potential to do that.

More recently, since the previous Liberal government got rid of the State Bank debt—got it off the balance sheet—and with increasing revenues to the government, the budget has given this government fantastic opportunities. I can tell the house that in the days leading up to the delivery of the 2007-08 budget it was with some trepidation that I contemplated what might be in the budget. It was with serious trepidation because I was concerned that the government would use the largesse flowing into the Treasury to come up with some real nation-building projects to utilise its opportunity to change the way in which South Australia has been operating for a long time and to set up the state to challenge and achieve its real position in this nation, remembering that South Australia not that many years ago—in my lifetime, at least—punched well above its weight. That is something it has not done for a long time.

We heard the relative figures from the Leader of the Opposition today; the figures for South Australia relative to the other states. We have about 7.8 per cent of the nation's population. Even considering that the age profile of the population of this state is slightly above the national average—I acknowledge that we have more older people—all the economic indicators are punching well below our weight—and have done for a significant time. I thought, at last, Treasurer Foley will redress that and come up with a rip-snorter budget and set the opposition back on its heels. That is unfortunate from a political point of view. I was delighted when I heard the Treasurer deliver his budget. I am a bit of a student of body language, and I was watching government members, both the backbenchers and even the ministers, on the day when the Treasurer delivered his budget. There was an air of gloom amongst government members, and I can understand why. Here we have a budget which reflects what a mess has been created on the Treasury bench in the short space of five years.

What a mess has been created in the short space of five years with the largesse of revenues that are flowing through the government coffers—\$37.7 billion in GST revenues. We must remember that the GST was the thing the Premier and the Treasurer argued against. They did not want it. A GST revenue of \$37.7 billion over an 11-year period is what is revealed in the budget papers. It is \$3.8 billion for this year alone—and that is a revenue source that they did not want.

**The Hon. R.G. Kerin:** It's a sad tale.

**Mr WILLIAMS:** It is a sad tale. This government, if it was a half reasonable economic manager, could build a new hospital, just like the one that it imagines it can build, every year and pay for it with cash. Imagine the roadways and the schools we could have. Instead, what do we have? We have a government that will close schools across metropolitan Adelaide, flog off the land—quite valuable real estate—and ask the private sector to build schools, which the future taxpayers of South Australia will continue to fund at a pretty high rate into the future. There is no mention of turning that money back into a future fund. No mention of showing some fiscal restraint. I tell the house that, by the eve of budget day, I was delighted. In fact, some media people in my electorate

asked, 'What is your view of the budget?' I said, 'It is a fantastic budget for the opposition because it just shows the desperate state that the government is in.'

*The Hon. J.D. Lomax-Smith interjecting:*

**Mr WILLIAMS:** I think the Minister for Education and Children's Services should hang her head in shame because she has made as big a mess as anyone in the portfolio area for which she is responsible. That is just an overview of the way we see the budget. I saw again today the body language of members of the government when the Treasurer tried to defend his position with that pathetic ministerial statement. I feel very sorry for him. The Treasurer does not perform well when he is under pressure, and he is certainly under pressure at the moment because he knows that, after five years of fantastic opportunity, he has made a mess of it. He knows that history will judge him and his front bench colleagues very poorly. He knows that because he saw what happened to John Bannon. He knows how history has judged John Bannon and his ministerial team over the 1980s.

History has the opportunity of looking back and saying, 'Yes, they did make a mess of it.' History is not corrupted by the daily avalanche of press releases that are hitting the journalists' desks. History is looked at more circumspectly. The Treasurer knows full well that he has made a mess of it and that he has lost control—10 000 unbudgeted employees now on the taxpayer payroll. Therein lies a fair bit of the problem—10 000 at probably \$100 000 a pop. That would go a long way to building a new hospital every year. I reiterate: I am delighted. The government has gone back on every promise it ever made. We will have private schools, private prisons and private hospitals. That is most of what state governments deliver. We are privatising the schools, the hospitals and the prisons. This is a Premier who was anti-privatisation and who was not going to privatise anything but who is now even privatising the schools.

We are going to have PPPs (private-public partnerships). The Treasurer wants to have PPPs. I tell the house that it is just a mortgage by another name. Treasurers always love them because it is off balance sheet, but the reality is, when you go into the market with a PPP proposal, guess who funds them? An organisation such as Macquarie Bank—and it does pretty well. It can afford to pay its CEO \$33 million a year. That is the type of organisation that will come to South Australia to build our schools, prisons and possibly our hospitals and own them and operate them, while paying its CEO \$33 million a year. It will expect a reasonable return for that. That is the world that we are moving into with this government. Not only do we have government debt going through the roof (increasing by a factor of 10 over the period of this current budget) but we are entering the world of the unknown where we will have PPP ownership of our schools, hospitals and prisons, with an unknown annual bill to cover the cost.

Why is the government so keen to have a AAA credit rating? The only thing that a AAA credit rating delivers to a Treasurer is his ability to borrow at a lower rate.

**Ms Fox:** You are knocking a AAA credit rating!

**Mr WILLIAMS:** You just listen, you might learn something, because I found out something the other day about which you were totally unaware—peak oil, I think it was. Everyone else in the world knew about peak oil—

*Ms Fox interjecting:*

**The SPEAKER:** The member for Bright will come to order!

**Mr WILLIAMS:** Thank you, Mr Speaker. I always need protecting from people such as the member for Bright. The Treasurer wanted a AAA credit rating because it gives him the ability to borrow at a lower rate, but he will not use that because he wants to borrow off budget by going through a PPP process, and he will get no gain at all from having a AAA credit rating. Why is that? Because the people who fund the PPP purchase the risk. In this case, it is probably a reasonable idea, and I do not trust this government to manage risk because it has form.

In the time left to me, I will concentrate on a few matters which are closer to my shadow ministry responsibilities. In particular, I want to talk about industrial relations. This is one of the areas that typifies the way in which this government has gone about its business, and it is one of the areas where the government is again in real trouble because of the way in which it has managed WorkCover since the day it came to office. I cannot understand how the minister responsible is still sitting on the front bench, because a number of his colleagues have been pushed up the back for far less a crime. He has run up a debt which he says is not a debt. He fails to understand that an unfunded liability is still a liability and has to be paid for at some stage. He still denies that.

In five years, the debt is getting towards \$1 billion. That is not bad; \$20 million a year. That would go a long way towards building a hospital. At some stage, South Australians will have to pick up that debt. The government is quite happy, because it does not believe the taxpayers will have to pick it up. The government does not mind if business has to pick it up because it does not understand that a loss of \$20 million per year at the foot of business actually flows through to all the economic indicators that affect the economy of South Australia. That is one of the reasons we are lagging behind all the other states. Notwithstanding that the South Australian economy is going along pretty well, in a relative sense we are still slipping behind.

What is the government's reaction to the WorkCover mess? It received a comprehensive report from the board mapping out a way out of the mess into the future. That board was handpicked by the minister and, in ministerial statements and in answers to questions about the board, he has portrayed it as being wonderful. However, his reaction to the board's report was, 'Sorry, we can't do anything about that until after the federal election, because we are going to stand by the people of Australia. The Labor Party is intent on looking after the working men and women and it is going to stand shoulder to shoulder with working men and women against that nasty federal government and its WorkChoices legislation.' Well, the reality is that, as soon as the federal election is over, this minister and this government will cut benefits to injured workers in South Australia—and everyone in this chamber knows it.

*The Hon. J.D. Lomax-Smith interjecting:*

**Mr WILLIAMS:** If the Minister for Education and Children's Services understood what happened to WorkCover when we were in government, she would know that she is just talking nonsense. The last time we were in government, we took the unfunded liability from \$276 million to almost zero, fixing up one of your messes. I say to the minister that I am not looking forward to the mess his government will leave this time, because that is what it is doing and that is what it does every time.

Not only has the minister put off the decision to fix up the mess he has made in WorkCover until after the federal election but he has instituted another review. The budget

papers reveal that that review will cost another \$1.1 million. There has been a review into a review into a review; there have been three reviews. The minister threw out the old board and brought in a new board to do a review into WorkCover. That board completed its review and handed it to the minister. Now, five years down the track, he is having another review at a cost of \$1.1 million. It is an absolute nonsense. It is just a charade to put off a decision until after the federal election. I assure members that the people of South Australia will not be fooled, because I am going to remind them continually that the unfunded liability of WorkCover is clocking up and up.

According to its annual report, WorkCover expects the unfunded liability to be over \$1 billion, and South Australian business people who are in the know expect that it will be over \$1 billion. However, the government's reaction is, 'We'll put it off, and we'll spend another \$1.1 million of taxpayers' money. It doesn't matter because money is coming in so fast we can barely spend it. We'll spend \$1.1 million and have a review, and we'll try to get a few more votes for our federal colleagues.' It is an absolute disgrace. In the meantime, the same minister has done a deal with his mates in the unions to give them \$3 million over the next three years. I think a fair bit of that money will find its way to supporting his federal colleagues at that election and his state colleagues in the election due in 2010 as well.

The other issue I want to talk about is water security. In Adelaide and across South Australia at the moment we have plenty of water insecurity—and no-one, least of all the government, knows what it is doing. A day before the budget, I think, the Minister for Water Security, with TV cameras in tow, was down at the Mount Bold reservoir coming out with a grandiose plan to build a new wall and to pump more water out of the River Murray. We are going to be saved by the River Murray. Today, along with a number of my colleagues from both sides of the house, I attended a briefing given by representatives from BHP Billiton. They talked about the amount of water they were going to use in the expanded mine site. What did they say about taking water out of the River Murray? They believe it is not sustainable in the long term. They will not risk their project on taking water out of the River Murray, yet the government of South Australia says, 'Oh, the answer is the River Murray.' This is the same Premier who preaches global warming and climate change, yet he hangs his hat on pumping more water out of the River Murray. It does not compute.

We have had the Minister for Water Resources saying one thing and the Treasurer saying something else. A couple of days after the Minister for Water Resources was down there talking about what would happen at Mount Bold, the Treasurer was quoted in *The Advertiser* as playing down the idea of building a desal plant and was supporting the Mount Bold option. In the same press release from the minister about Mount Bold, advising that the feasibility study would cost \$10 million, she said, 'Oh, and by the way, SA Water is spending \$3 million doing some environmental impact studies into a proposed desal plant for Adelaide.'

A couple of days later, the Treasurer said, 'No, we are not going to do that. It costs too much. The Liberals got it all wrong.' Well, he got it all wrong. He said, 'Those Liberals say it's going to be \$800 million.' That is not what we said. He said, 'Well, that was years ago in Perth.' The reality is that the Perth desal plant was built for \$385 million, and the \$85 million was used to build the pipeline to deliver the water into the reservoir to run it back into the system. So, the

Treasurer does not know what he is talking about, and no-one knows what the minister is talking about.

What we do know is that the minister stands up at every opportunity and says, 'Yes, we are into reuse. We are doing better than every other state in Australia; 20 per cent of our water is reused.' Can I tell the minister and everyone in the house that not one extra drop has been reused since this government came to office. I think it is a bit disingenuous of this minister to claim that South Australia is doing very well in the area of reuse, because she and her government have not spent a dollar. There are plenty of projects on the table, which have been on the table for years, but the government has not spent a dollar to increase the amount of water that is reused in South Australia.

Time expired.

**Ms FOX (Bright):** Mr Speaker—

*Mr Williams interjecting:*

**Ms FOX:** Are you reading my body language now?

*An honourable member interjecting:*

**Ms FOX:** No, I do not need to just read my speech. I could reflect on the member for MacKillop's obsession with the body positions of the government, but I choose not to do that, because my mind is in a clean and good place. I am pleased to rise in support of the state government's investment of more than half a billion dollars in transport and infrastructure projects over the next four years. Transport has been a big winner in the 2007-08 budget. We are making the single biggest investment in public transport infrastructure that this state has seen in more than a decade. It demonstrates our commitment to revitalising and modernising our state's public transport system. Such a commitment is crucial at a time when there is additional demand for public transport, a result of both the increases in the price of fuel and greater environmental awareness. As we consider issues of sustainability, maintaining an effective and forward-thinking public transport system is crucial.

I would like to talk in particular about the \$115 million that will be spent over the next four years on the concrete resleepering and upgrade to rail infrastructure. The \$115 million project will also include improving the crossings on the approach to the Adelaide rail yards. It will also go towards replacing track on the southern line approach into Adelaide and replacing open deck bridges with concrete pipe culverts. In addition, the budget provides \$30 million in 2010-11 for the purchase of 36 new buses to upgrade the public transport bus fleet.

The rail revitalisation of both the Belair and Noarlunga train lines will enable a faster, safer and overall more efficient transport system for commuters. It will also create a platform (no pun intended) for future improvements. A total of 64.5 kilometres of rail line will be replaced with concrete sleepers. About 58 kilometres of the 29-kilometre Noarlunga line will be resleepered, including both the up and down tracks. There has not been a major upgrade of this line since it was laid in the late 1970s. A complete resleepering will reduce the travel time of the express service between Noarlunga and the city by up to five minutes, and an average of three minutes will be shaved off the travel time for all other services on the line.

At present, the Belair line is subject to buckling, which slows trains down. To eliminate this problem, 6.5 kilometres of track will be resleepered. Sleepers may not be considered the sexiest of infrastructure, but they are very important to our rail system. Sleepers are an essential part of the train

track structure; they actually hold the track together! As sleepers age, the condition of the entire track structure also deteriorates. The more this deteriorates, the more hazardous the track becomes. Trains must, in turn, travel at slower speeds to mitigate any potential for accident. The slower our trains must travel, the less effective our train services could become. In addition, new sleepers will dramatically improve the comfort of rail services. If we are to encourage more people to use the train network, a more comfortable service is crucial. Therefore, the humble sleeper is in fact anything but: it is an essential part of our rail network.

The upgrade to both the Noarlunga and Belair train lines will deliver faster services which will, in turn, allow for a greater frequency of services. It will provide a track that can effectively handle an increase in traffic demand for the future. I am informed that work is expected to begin on the Belair line during the 2007-08 financial year, and that works on the Noarlunga line will occur towards the end of the 2007-08 financial year. The Noarlunga line runs almost the entire length of the Bright electorate through the suburbs of Hove, Brighton, South Brighton, Seacliff, Kingston Park, Marino, Hallett Cove, Lonsdale and Christie Downs.

**Mr Bignell:** Stopping all stations?

**Ms FOX:** No, not necessarily, because there are some express services, as the member would know, having taken that train. The Noarlunga line represents an important part of connecting the south to the Adelaide city. I speak to people on a weekly basis who use this service. In fact, sometimes I have been known to take the 9.20 from Hove myself. And not only do I take the 9.20 from Hove, but from 1983 until 1987 I took the Belair train every week, and from 1988 until 1991 I took the Belair train every single working day. So, I am very familiar with these train lines. I am not someone who whizzes around in gorgeous vehicles all the time—just some of the time, thank you to my Suzuki! The rail revitalisation will provide faster, more comfortable and more frequent services to commuters on both the Noarlunga and Belair lines. This will go a long way towards helping our state to increase the use of public transport. I commend the state government and, in particular, the Minister for Transport.

*An honourable member interjecting:*

**Ms FOX:** Yes. I commend him for having this broad vision about rebuilding South Australia's ageing infrastructure and, indeed—

**An honourable member:** He's a real sleeper, isn't he?

**Ms FOX:** I like sleepers. As I have just explained (clearly, the member was not listening), the sleeper is a very important part of the train network. We are upgrading it, and I think we should all celebrate that.

**Mr PISONI (Unley):** I think it is very interesting that the member for Bright thinks that rail maintenance is an important budget item when, really, all we are talking about is getting the trains up to what they should be doing, not what they are doing now—that is, running late and breaking down. It is interesting that it was not described as rail maintenance in the budget: it was actually described as an upgrade from standards that we have become used to from this government—standards that you are more likely to see in the back tracks of China.

Liberal leader Martin Hamilton-Smith accurately termed this budget as a budget of debts, disappointment and delay. We will see our state debts reach the State Bank-like proportions of \$3.4 billion by 2011. Average South Australian families are burdened with increased taxes and charges

over their motor vehicle registration and the cost of buying a home, and they are trying to do their bit for climate change by catching public transport as encouraged by a former Speaker. It will cost them 8 per cent more in order to do so, up from last year's substantial increase. The state government has abandoned needed public transport infrastructure and actually calls 'maintenance' on items including roads 'infrastructure projects'. That is a new line to look for in the budget papers. We have abandoned major infrastructure projects, and we will see in the budget such projects as the Mount Bold reservoir, which is at least 10 years away.

The big-ticket item, of course, has already been dubbed the 'Marj Mahal'. The media and public instinctively see this project as more of a monument than a necessity. The figures provided so far have been worked out on the back of an envelope. Today in question time we asked the Treasurer a question, and I think the answer may have been written on a simple A5 envelope, not an A3 envelope! It is a standard that we have come to expect that sets all-time records in infrastructure blow-outs. The northern expressway has blown out from \$300 million to \$550 million; the Anzac Highway underpass went from \$65 million to \$110 million; the Port Road-Grange Road underpass went from \$122 million to \$245 million; the Port River Bridge added an extra \$100 million plus maintenance; and the Bakewell Bridge underpass went from \$30 million to \$43.5 million.

I did not want to wade into the hospital naming debate, which already shows public disapproval at not being consulted. Perhaps we should be grateful that the Premier jumped the gun and gave Don Dunstan's name to the playhouse. At least that part of the Premier's dream has been dealt with! We do not have to have a new monument to Don Dunstan. All is not lost, however. With the Rundle Mall balls being freshly refurbished, they could join the ever-growing list of things that are prefixed by the word 'Premier' and be renamed the 'Premier's Buffed Balls', or something along those lines.

**Mr Bignell:** Or Pisoni's Balls.

**Mr PISONI:** I am not that important. The member for Mawson suggested that they could be named the Pisoni Balls, but I am not as important as the Premier. For decades this has been the meeting place for our young and old: 'I'll meet you at the balls in the mall,' they say. Their reinstatement in the mall would make a great headline to coincide with an analysis of this budget—the Premier's balls-up. Fiscal irresponsibility in this budget on the part of this state government is illustrated by the failure to address dual concerns of unfunded superannuation liability and the ever-increasing unfunded WorkCover liability. Unfunded super will blow out to \$5.9 billion by 2011. Peter Costello and the Howard government have set up the future fund to deal with their unfunded liability. It has taken them 10 years to fix up the last federal Labor mess, where we went from borrowings of \$96 billion to actually having money in the bank. That \$96 billion of government borrowings cost us \$8.5 billion a year in interest. So, Peter Costello set up the future fund. Treasurer Foley has done nothing like that. He has not even put our superannuation on layby. He is content to leave our children with more debt.

WorkCover will have a \$1 billion blow-out within 12 months. SA businesses are burdened by the highest average premium in Australia at 3 per cent, which is twice that of Victoria's and nearly three times that of Queensland's, and the worst return-to-work rate in the country. With unions running the ALP, this government does not have the resolve to act. Perhaps they do, but they do not want to do it before



the federal election, because that will damage the campaign they are running against John Howard. They know that some drastic action will need to be taken to address the WorkCover blow-out, and that will see a reduction in workers' benefits.

While minister Wright dines alone at the Flower Drum restaurant in Melbourne, courtesy of SA workers, he is oblivious to the unattended meters running on WorkCover's unfunded liability and those of his sprinkler system. In relation to WorkCover, it is a disgrace that our schools will now be levied to help pay for an expanding unfunded liability which this government has no will to tackle or plan to address. Of concern looking forward to the upcoming federal election is the massive union power grab. Already, we see that 26 of the 30 members of the Labor front bench are former trade union officials.

This state will contribute two more from South Australia, with Mark Butler given a berth in the safest Labor seat in the state, and Don Farrell with number one on the senate spot. Obviously, it is not women; they get the marginal seats, while the union hacks get the safe seats. Who said the unions would not run a federal Labor government? Did Kevin Rudd say that? He does not stand a chance of running this country if he is elected. It will be the trade unions that will run this country. What we are seeing with this budget and the Rann government are the problems of having a cabinet that is a business experience free zone. I have used this example a number of times. The Attorney-General pulled me up on it the other day. He said, 'David, don't you understand that we do have people with business experience in our cabinet—Rory and Karlene?' But they are not in the Labor Party. The Labor Party has to go outside of its own party to get any sort of business experience because nobody in the Labor cabinet has any such experience.

*The Hon. R.J. McEwen interjecting:*

**The SPEAKER:** Order!

**Mr PISONI:** The small business minister refers questions about payroll tax from *The Advertiser* to the Treasurer's office. It is one of the most important taxation issues relating to small business and she is missing in action. She can speak out on small business issues, in accordance with clause 3.5.2 of her agreement with the Labor government, but she chooses only to run the Labor government line. When asked in parliament to comment on other small business issues related to the Business SA budget submission, the Treasurer answered questions for her, saying that she probably had not seen it; she probably had not seen Business SA's budget submission.

**The Hon. R.J. McEwen:** Did they send it to her?

**Mr PISONI:** It is on their website, minister. Obviously, you are not aware of it, either. More lack of concern for commerce and small business was shown by minister Rankine and the government when they opposed upper house Liberal and Independent amendments which would make the real estate reform bill workable for a business as well as for consumers. The real estate industry's reward for being proactive and cooperative in facilitating this reform was to be demonised by the minister in the media and described as 'robber barons'.

The budget sees the payroll tax rate dropping but the low threshold of \$504 000 remains and it is stifling small business growth. It takes no account of inflation or wages growth, and South Australia still has the worst payroll tax regime in Australia. I have examples of small business owners in South Australia who are either avoiding expanding or contracting to remain below the ridiculously low payroll tax threshold in

South Australia. This government does not see small business as a partner in growth and prosperity but as a resource to tax. Five years ago, payroll tax kicked in when you had 11 or 12 staff, but now it is eight or nine before you start paying payroll tax. Nothing has happened other than growth in wages under the successful economic policies of the Howard government.

If we are aiming to attract and recruit better qualified, smarter and highly paid workers for South Australia, that number drops dramatically. That is the key: small business, again, with higher qualified staff, to whom they will need to pay more money in order to attract them, will actually see that figure drop even below the eight. We might see companies that have only half a dozen people on their staff paying payroll tax. Remember, the threshold in Queensland is \$1 million—and it is over \$1 million in Tasmania and some other jurisdictions—but Queensland's is twice the threshold of South Australia's, and our state's low threshold still remains a disincentive to employ and expand. All indicators show an increasing strong demand for professional labour, particularly in areas like information technology. Salary pressures are upward. In South Australia, where traditional manufacturing is declining and technology and services are increasing, we see the need to pay more to get and keep our best workers, even fewer workers in a business, before they hit the unadjusted tax threshold. With sought after IT programmers, engineers and the like with salaries averaging upwards of \$100 000 a year, a specialist business wanting to set up in South Australia hits that payroll tax threshold very quickly.

Janet Giles, who has such a great understanding of business, made comments on payroll tax that reflected the general cloud cuckoo land type of view she has on business. She told ABC Radio:

It's up to business not to squirrel that away in their own profits, but to invest now in fair wages, decent jobs and employment growth in our state for the benefit of South Australia.

Where is she? This is 2007. We are not talking about the 1970s. Wage growth under John Howard has outstripped any wage growth in our recent history, unlike the wage growth that we saw in the Hawke and Keating years when it went backwards, and it is no coincidence. When there was a higher union membership out in the work force, that wage growth was lower. No wonder 125 000 workers have left the trade union movement in the past 12 months. What a ridiculous statement from Janet Giles! Businesses in South Australia create jobs and pay fair wages every day. It is up to the unions to do their bit by showing a willingness to assist with increasing productivity and improved outcomes, rather than seeing any assistance given to business by government as a negative.

The problem with this budget is that it lacks vision, it promotes inputs and it increases our level of debt, but what are we actually getting for our money? What are the actual outcomes? It is all very well to go on about how much money you are spending and how much money you are putting into health and education. We want to see the outcomes. South Australia still has 10 000 additional public servants over and above the government's own budgeted figures. These extra public servants are costing the state hundreds of millions of dollars every year, but where are the improved outcomes and productivity gains? Where is the dividend for this extra expenditure for South Australian taxpayers? Why is the public sector bloated when the private sector cannot find enough qualified workers? We have a situation now where

pay rises in the public sector are outstripping those in the private sector. The public sector is competing for skills and workers from the private sector. There is only so much the government can do. It can pour resources into government, and you only get so much of a benefit because the benefit will then plateau out. You can continue to put in those resources but you will see a plateauing of the benefit for taxpayers, and that is exactly what we are seeing now.

This budget shows increased debt on recurrent costs—the inevitable result of poor fiscal management. It relies on continuing favourable economic conditions and a breaking of the drought. The state government is relying on the continuing success of the national economy reformed by the Howard Liberals, and it is relying on rain—none of its own work. There needs to be a state-based strategy in place to deal with increasing debt and unfunded liabilities. The Rann Labor government is not good at forward planning, and the budget proves it. The rest of South Australia realised from the beginning that a tunnel on South Road emerging at the tram line was a recipe for disaster. Now, three years after the upgrade of the tram—after they closed the tram down for three months to put new tracks in—they have realised they need to build a bridge over South Road so that the traffic can flow freely—\$28 million. They did not think about putting a tunnel under South Road when they closed the tramway down for three months to refurbish it.

Perhaps this is one of the infrastructure projects that could be named in honour of either Norm Foster or David Tonkin, whose forward-looking stance with the Roxby Downs (Indenture) Bill is in complete contrast to any forward-looking stance that this government has on infrastructure. It could be a monument named to illustrate the difference between their foresight and that of the Rann government in terms of its lack of planning skills. In a recent period of economic prosperity where the federal government continues to run cash surpluses, the Rann government and Treasurer Foley need to borrow money and run up debt, despite a massive flow of GST revenues from Canberra over and above expected budgeted amounts; despite the budgeted stamp duty grab on property conveyancers to \$697 million—up 75 per cent; despite the land tax collections budgeted to \$221 million—up from \$76 million in 2001. The Rann government has been swimming in tax revenue, but where has it gone? What results have been achieved? We should expect to see a lasting legacy from the boom times that we have experienced, not just infrastructure blow-outs, debt, huge unfunded liabilities and a bloated public sector.

**The Hon. R.J. McEWEN (Minister for Agriculture, Food and Fisheries):** I move:

That the sitting of the house be extended beyond 6 p.m.

Motion carried.

**The Hon. G.M. GUNN (Stuart):** Reluctantly I get to my feet because I am not one normally to say a great deal on these sorts of occasions.

*An honourable member interjecting:*

**The Hon. G.M. GUNN:** Calm down. The honourable member is one of those temporary members in here, so if he wants to enjoy it he should learn how to sit in the benches, although he is not going to be here for very long. The budget is the most important document which comes before this house on an annual basis, and it is particularly interesting to note that we are going to approve something in excess of

\$8 billion. It is interesting to note that the Department of Health is one of the largest recipients of that money, followed very closely by the education department.

Earlier today I raised an issue in relation to education in isolated communities, and I want to follow on from that, because not only is that an issue in regional and rural South Australia but the decision of the government to force schools to pay WorkCover levy, taking away the interest they receive on funds which they have carefully set aside for future investment, has—to put it mildly—poured some petrol on the fire. As a great reader of local newspapers, I was pleased to note in the *Mid North Broadcaster* of 14 June an article attributed to the Principal of the Peterborough High School, Mr Les Sharp. I do not think you would say Peterborough is a place with a huge population of very wealthy people. It comprises many good, hardworking people in a low socioeconomic group, and one thing those families need is the best possible education so that they can improve their station in life.

We have three-quarters of a page of comment by Mr Sharp. In recent times, going around the schools, every school I have visited has mentioned this issue. It certainly is a good story, and I say to the minister: take note, because you will ignore it at your peril. I recognise a good story when it is one of a political nature. This government must remember that, if you want to get re-elected as a local member, make sure you do not forget about the small issues; make sure you understand them, because they will give you more support than the big pictures—getting your photo taken alongside some big project. At the end of the day it is the little issues, and this issue of taking money away from these—

*Mr Koutsantonis interjecting:*

**The SPEAKER:** Order!

**The Hon. G.M. GUNN:** I did say on one other occasion that if the honourable member wants to engage me on a consultancy budget, I can help him, as difficult as it may be. I do know a little about campaigning in marginal seats. Nevertheless—

*Mr Koutsantonis interjecting:*

**The Hon. G.M. GUNN:** I am a very humble fellow, Mr Speaker. I would not like to explain—

**The SPEAKER:** Order!

**The Hon. G.M. GUNN:**—in any more detail, because I am too humble to do that. I know it is difficult to get me on my feet. However, I want to go back to this issue of the problems with schools.

*The Hon. R.J. McEwen interjecting:*

**The Hon. G.M. GUNN:** Are you telling me which standing order prevents me from doing so, minister?

**The SPEAKER:** Mr Gunn has the call.

**The Hon. G.M. GUNN:** Thank you, Mr Speaker, for your protection. On this particular occasion, the Principal of the Peterborough High School, Mr Sharp, is voicing his views loudly and clearly about the latest rounds of proposals in the Education Department. The changes will see the school short of \$40 000 to \$45 000 dollars a year from its everyday budget. The changes will affect every school in this state. One of these initiatives is the introduction of a WorkCover levy where schools have to pay 1 per cent of their salary bill. The article to which I refer states:

At Peterborough High School our salary is about \$1.5 million a year, Mr Sharp said. It will mean a loss of \$15 000 a year out of the school budget. Under the proposal, the Governing Council would have to register with WorkCover—

—more bureaucracy—

and pay a levy if they wish to hire any other employees such as a canteen manager. The schools would also have to pay for the first four weeks for teachers to be on WorkCover and the first \$100 of doctor's fees, which could add up to a \$6 000 bill.

Fears are being voiced from the union that because of the change, principals will try to avoid teachers who access WorkCover, and Mr Sharp believes some teachers would feel uncomfortable about going on WorkCover.

'Staff will feel a higher level of reluctance to apply for WorkCover,' Mr Sharp said. 'If they go on WorkCover or injure themselves it will cost the school and ultimately the students.'

'Teachers for generations have given a lot of goodwill to schools, a lot of extra hours with sports and other things, and I think this is another way where they will feel pressured to give in, where the teachers should be looking after themselves,' Mr Sharp added.

The government is also proposing to claim back interest earned by schools' investments, which would add to further strain.

'We might have had \$20 000-\$35 000 to come in as interest from our investments,' said Mr Sharp.

Why would the government want to go down this track? When one reads the budget papers and all the supporting material which the Treasurer has provided, it makes interesting reading. When one looks at page 3.18 and the commonwealth government grants, the GST revenue in 2007-08 is \$3.854 billion. At the bottom of page 3.18 of the budget statement, it states:

GST revenue grants to South Australia are expected to exceed the original budget estimate for 2006-07 by almost \$15 million.

The government is getting another \$15 million. It is getting a huge amount of money. Why would it want to penalise these little schools? It is hard enough to get good teachers to come to country areas; and those who are there work very hard and are dedicated. We should be making life easy for people to run schools. Why do we want to make it more difficult? I find it interesting that when Sir Humphrey Appleby, or whoever it may be, is sitting in a high-rise building in Flinders Street, or some other high-rise building in Adelaide, and looking out the window, he obviously looks right across common sense. He does not see those little people sitting down there who are affected by these unnecessary bureaucratic decisions. I intend to pursue these issues up and down the state and in my electorate. I look forward to the response of the minister, because I think this is not only unfortunate but also unnecessary.

When reading through these enlightened documents, I note that on page 2.9 it states:

As an important contribution to maintaining the skills of CFS volunteers, additional resources will be provided to expand accredited rural fire fighting skills and to continue enhanced community education and awareness programs for bushfire prevention and preparedness. Service levels in regional areas will also be improved through the replacement of a State Emergency Services rescue vessel. . .

How much longer will we have to wait before common sense applies and the fools in the Native Vegetation Council and those associated with them are brought to heel?

*An honourable member interjecting:*

**The Hon. G.M. GUNN:** I am being complimentary by calling them fools, because they want to endanger the public. The cost to the taxpayer under this budget could be horrendous in the future if common sense does not apply. Why do they not let farmers and other land managers get on with some sensible hazard reduction, such as the burning that used to happen 15 to 20 years ago? Why do they not change the rules and put in some sensible access tracks and firebreaks? I wish it was them facing the bushfires! Why do they not come to their senses? Why is there an ongoing battle with these people?

As a member of the Natural Resources Committee, I am looking forward to visiting Port Lincoln to see at first hand how foolish and stupid these people have been. We saw it on Kangaroo Island the other day. If there was ever an example of a bunch of eggheads who have lost the plot it is there. They wanted to prosecute a bloke for flooding less than a hectare. Of course, there is not much native vegetation left on Kangaroo Island—only about 45 per cent! There is not much left there, but we have to save every tree, no matter whether it is dead, alive or indifferent. There was a wonderfully constructed dam which provided water for Kangaroo Island. Kingscote and Parndana would have run out, but Sir Humphrey and his band of merry men—the musketeers or whatever one would like to call them—have taken it upon themselves. I would like to ask the Chair of the Native Vegetation Council whether he drinks water. Do members of the Native Vegetation Council drink water? The people of Kangaroo Island do drink water and they like to wash. Those people up there may be allergic to water; I don't know. They could be, if you look at some of them—and I am being complimentary.

I am concerned about long-term welfare if common sense is not applied to protect the public of South Australia against the ravages. The hardworking volunteers give their time freely, not only to contain, extinguish and control bushfires but also to do training so they can go out to perform rescues from motor vehicle accidents and all those sorts of things. We should make life as easy and as productive as possible to assist them. We should not have all this nonsense to endanger them and make life difficult. Not too many of them want to be out for two or three days. We see on our television sets the marvellous job the volunteers are doing in New South Wales, and our people are going to help them—and that is most commendable. We should be taking every sensible step to make life easier for them, so when there is a fire there is an access track and they can burn back on it. Some steps have been taken to improve hazard reduction and other sorts of sensible things. Some of us, average land managers, spent the earlier part of our lives burning native vegetation. Each year, we would burn off grass paddocks and stubble paddocks. We have some idea of what we are talking about. However, we have this band of people—and I am not sure what their motivation is—and I am concerned about the effect they are having on the people of South Australia.

Now I come to the road funding arrangements, which are always of interest to me because I have a very large number of unsealed roads in my constituency, and my hardworking, long-suffering constituents need to have special attention. Yesterday, I drove on the road between Blanchetown and Morgan for which this government stopped the funding, otherwise it would have been sealed. I ask the Minister for Transport: when will we see some more money to seal that road because it is—

**The Hon. R.G. Kerin:** It is \$3 million across the whole state.

**The Hon. G.M. GUNN:** Well, if it was not for commonwealth expenditure, the road sealing program would be a pretty sorry state of affairs. The Roads to Recovery program has been of great benefit to my electorate and other electorates. It is a program which has a great deal of support and, along with a couple of other commonwealth government programs, it has certainly improved the road situation. Without it, it would be a sorry tale.

The other challenge is the issue of health. Plenty has been said and plenty more will be said about whether we will have

the Marjorie Jackson-Nelson hospital or whether we will maintain the Adelaide hospital. My great concern is that we maintain services in regional and rural South Australia. These small country hospitals have provided a great service to the community. They have been supported by local communities. The people feel ownership of them and they are very proud of them. It would be absolutely outrageous if they were downgraded and if the people were prevented from having a proper role in their management and an involvement with them.

In the past few days, the ceiling has been falling down in the Leigh Creek Hospital and it is temporarily closed. I sincerely hope that that is not an excuse either to downgrade it or shut it because that in itself is a fear and people are most concerned. I hope the minister can assure the house and the people of the north that the government has no intention of doing that. There is a great concern about this desire to centralise. Taking power away from local communities will mean a reduction in services and in the ability of people to have some say about their own community. It is not unreasonable in a democracy, because a democracy is about allowing small communities to have a say. These people do not need the ongoing wisdom of someone in Adelaide. They do not need a highly paid Sir Humphrey to tell them what is good for them, they actually know themselves. They are aware. They do not ask for a lot and, unfortunately, normally they get less. Therefore, this proposal to change the health system will be vigorously opposed. Let me tell government members that at every opportunity it will be opposed in this place and it will be opposed upstairs.

If the government wants to have a fight in rural South Australia at the next state election, let me lay the ground rules. Any attempt to take away facilities from those little communities will be one of the great features. Look at the great things people have done at Peterborough, Orroroo, Booleroo Centre and all those places right across the length and breadth of South Australia. If you want to take away those facilities, then you will pay a price. We are only interested in the long-term welfare of those people—nothing else. My own concern is why they should have to travel huge distances. The facilities are there.

The other very important feature is that these institutions have been a very important source of employment for local people. Local people can get jobs in the hospitals and associated aged-care facilities. In the past, it has been a great facility in which to train people. It has had all those benefits which have been a benefit to the people of this state.

In conclusion, it is clear that the difficult decisions that the previous government took in privatising a number of utilities and investing that money in reducing debt have been of long-term benefit to the people of this state. The decision to bring in the emergency services levy, as unpopular as it was, has proved to be an outstanding success. As members travel around South Australia, they see all those new facilities—and we see minister Zollo claiming credit as if she were the architect of them. Look at what is happening at Hallett and Booleroo Centre, and look at what happened at Melrose. It has only been done because we have the money. The member for Davenport knows about the flak we all took. We did not get much thanks at the time, but we are seeing all these new facilities purely as a result of that decision. I support the bill.

**Mr O'BRIEN (Napier):** We live in relatively prosperous times, and in such times the true measure of a government's fiscal responsibility is not whether it can deliver a budget

with an operating surplus but whether it can leave lasting, long-term benefits for the state. Put more colloquially, a government must make hay while the sun shines to do the building of the state that cannot be done as readily in tough fiscal times that inevitably follow boom conditions. To continue the agricultural analogy—and I believe that this is particularly apt, given the impact of the drought on budget projections—I thought it was a fairly salient fact that the budget and agricultural output is fairly central to our long-term budget planning.

Taking that into account, the Treasurer has a farmer's eye to the vagaries of the economic climate. In fact, if the two post election budgets are seen as a package, it is clear that this government is methodically putting in place the building blocks for the continued prosperity of this state. The two budgets since the last state have provided an enormous impetus in meeting South Australia's current and future infrastructure needs and in meeting the future human capital needs of our state by undertaking major reforms in health and education.

Australia currently finds itself in the midst of an economic boom of unprecedented magnitude and length. It is the longest running economic boom since the Second World War, and it dwarfs the then unparalleled prosperity of the late 1950s and 1960s. The facts behind this boom are well known. Economic growth in China and India has led to a seemingly insatiable appetite for natural resources that has seen a remarkable price increase in and demand for Australian commodities. On the back of this boom, all government revenue has soared. Commonwealth revenue has increased by \$84½ billion since the introduction of the GST on 1 July 2000. To put that figure into context, increased commonwealth revenue over the last seven years is close to seven times the entire revenue for the budget delivered by the Treasurer in this house just two weeks ago. The Australian economy has always gone through cycles of boom and bust because of our reliance on natural resources. Like all booms, this current boom will one day end. The issue we will then face as a nation is whether we have reaped long-term benefits from our era of plenty or whether we have simply wasted the money on short-term, politically motivated schemes that come and go without leaving any lasting impact.

Australia's historic tendency to waste the opportunities offered by boom times can, I believe, be largely attributed to a quirk of our federal fiscal relations. I have observed in numerous speeches to the house that Australia has one of the highest rates of vertical fiscal imbalance of any federation in the world. Vertical fiscal imbalance refers to the commonwealth's disproportionate revenue raising ability compared with those of the states. In simpler language, vertical fiscal imbalance means that the commonwealth government has a far greater ability to raise money than state governments, yet it has less constitutionally assigned spending responsibilities than state governments. In this, we are alongside Austria in having the greatest distortion in our vertical fiscal balance.

At a state government level, we are hampered in our ability to deliver lasting change because the state's revenue stream has not been proportionally augmented by the massive revenue stream flowing from the boom into the coffers of the federal government. Our proportion of total government revenue has, in fact, declined. The nature of the commonwealth-state financial relations means that the state governments are poor cousins to the commonwealth government, despite the fact that state government's constitutional jurisdiction covers areas where lasting change can be

affected, namely, health, education and transport infrastructure—and I think that is the prime reason so many of us are attracted to state politics.

Lasting change, particularly in the area of nation building infrastructure undertaken in this budget, is extremely expensive. This problem is exacerbated by the fact that the commonwealth is using its increased revenue to make an increasing number of forays into the states' areas of responsibility. These forays are often political stunts, such as diatribes about the content of particular courses taught at schools, or they are well meaning but ineffective voucher schemes. The May federal budget allocated \$457 million over four years to provide tutorial vouchers for parents of students who fail the literacy and numeracy benchmarks. Assisting struggling students is an admirable aim, but our experience at a state level demonstrates that voucher schemes are largely ineffective.

This commonwealth scheme is well intentioned, but the money would be better directed to the schools themselves and coming through state bureaucracies, rather than flooding an industry of self-appointed tutors that is ill-equipped to deal with it. This current boom will not last forever. It is important to stress this point because it emphasises the importance of undertaking major changes to infrastructure before the economy slows. As new mining projects come on line, supply is catching up to demand and this will inevitably see a price rectification for many natural resources. Further, there is a risk that the Chinese and Indian economies could slow down, which could very quickly rebalance the supply and demand ledger.

The risk of a downturn in the Chinese economy is particularly acute because much of its export growth is in low tech manufactured products based upon an artificially low currency. In July 2005 China abandoned a decade-long policy of holding the value of the yuan fixed against the US dollar, revaluing it by 2.1 per cent and allowing fluctuations within set parameters. Since then, however, it has only been allowed to rise by about 6 per cent. Most economists still believe that the yuan is undervalued by between 20 and 40 per cent. Were the yuan to suddenly find its real value, or anywhere near its real value, the Chinese economy would be in serious danger of collapsing. China is coming under increased US pressure to increase the value of its currency. In fact, legislation crafted by the Senate Finance Committee is boosting pressure on China; this legislation was tabled in the US Congress only last Wednesday, 13 June. An undervalued currency is subject to economic pressures as well as political ones. As the Bloomberg columnist William Pesek recently explained:

... artificially keeping a country's exchange rate undervalued increases exports in the short run but has negative side effects in the long run. They include accelerating inflation and an increase in external imbalances like a rapidly growing current account surplus.

This is very much the case with respect to the Chinese economy.

I have gone into some detail on this issue, because there is a pressing need for all levels of Australian governments to understand that the current economic outlook will not last forever, and there is a subsequent need to plan now for a less rosy economic future. When this boom ends, we will need to have something to show to mark that it passed through, at both a national and state level. This government will have something to show. When this government came to power it was faced with an infrastructure designed to meet the needs of a bygone era. It has been our challenge to bring our infrastructure to a point where it can meet both our current

and future needs. The people of Adelaide will have noticed roadworks being undertaken to replace the Bakewell Bridge, work being undertaken for a series of underpasses on South Road and a new Northern Expressway. People will also have seen new buses on the road and an extended tram network with new trams running on it.

This budget has focused on our health infrastructure. The Marjorie Jackson-Nelson hospital is clearly the centrepiece of this budget. The new hospital is not, however, a stand-alone feature. It is part of an integrated plan to meet the health needs of the South Australian community today and into the future. Not only is more money being provided for health care, but we are also spending more wisely. South Australia's Health Care Plan 2007-2016 is exactly the type of long-term strategic thinking that a government should undertake in prosperous times. Every government in the western world faces a looming crisis in providing for the needs of an ageing population. As the population ages, its requirement for health care increases but, simultaneously, there are proportionally fewer people in the workforce to generate the wealth needed to finance the increased health needs. Put simply, in the future, we will need to spend more on health while there will be fewer people in a position to pay for it.

In the Australian context, this is a particular problem that is acute in South Australia, because we have the highest proportion of older people in our nation. However, our current health infrastructure is probably the least well equipped to deal with this problem. Some 34 per cent of metropolitan hospital buildings are more than 35 years old. The Rann government inherited a health system that was barely adequate to meet current needs, let alone future increased demand.

The first step that this government undertook to rectify years of neglect was the Generational Health Review, which was launched some four years ago by the Hon. Lea Stevens. Through this review, we stepped up primary health services in South Australia, focusing on keeping people healthy and out of hospital, by building our first GP Plus Healthcare Centre. Currently, GP Plus Health Care Centres operate at Aldinga and Woodville. Centres are also being planned in my electorate of Napier, in the Elizabeth shopping centre area, and in Marion. The Elizabeth centre will be built adjacent to the Elizabeth shopping centre and will begin operation in late 2009. It is located near a major transport hub and will provide members of the community with their primary health care. Early diagnosis, provision for home care and advice on managing chronic diseases will avoid much more costly hospital medical care and will ease the load on the Lyell McEwin Hospital.

This government did not take the easy option of continuing to patch up the hospital network and leaving the same structural weaknesses inherent in the system for a future government to solve. The new Marjorie Jackson-Nelson Hospital will form the central part of a transformed health system. The Lyell McEwin Hospital in the north and the Flinders Medical Centre in the south will form the rest of the critical backbone of the system. The 2003 thinker in residence, Charles Laundry, suggested that Adelaide should conceive of itself as a city with three centres—Elizabeth, central Adelaide and Noarlunga—and having three major hospitals down the spine of Adelaide fits this vision. As high end medical services are very expensive to provide, it also makes sense to rationalise services to avoid all hospitals trying to be all things and failing to achieve excellence in any.

Three central hospitals based in the centre of the three population centres will ensure that most of Adelaide's population will be able to be treated locally. I commend the health minister and his department for conceiving of this health plan, and also the Treasurer, whose financial management has made it possible.

Last year's budget focused on education. The infrastructure issues within the education system were similar to those in health. The state education system was serviced by an infrastructure designed to meet the needs of a bygone era. The Education Works program, which was announced as the centrepiece of the 2006-07 budget, was designed to revolutionise the state's education infrastructure in much the same way as South Australia's health plan will do in health. It is now one year into this program, and the initial indications are that it will be an enormous success. The first two super schools (as they have come to be called by media commentators and parents) will open in Playford North in 2010. Several of the schools closing their doors to join the new campuses are in the electorate of Napier.

One of those schools is Davoren Park Primary School, which was built in the late 1960s to cater for about 1 000 students and which, for about the last decade, has had enrolments that fluctuated between 200 and 300 students. Consequently, the school has been lumbered with a large and ageing infrastructure that is impossible to properly maintain, and that is pretty well the story right across the board with respect to schools in my electorate, which are probably operating at 20 to 40 per cent of capacity. They are greatly under-utilised. It has been picked up by the Australian Grants Commission that South Australia has the lowest rate of capital utilisation of any education system in the nation.

I had the pleasure of being present at one of the first consultations with the Davoren Park school's governing council, which was also attended by the education minister. It became apparent very quickly that the main concern of parents of the governing council was not the imminent closure of their school but an assurance that their children would be guaranteed a new place at the new super school. These parents could see that purpose-built infrastructure designed to meet the needs of the 21st century offered their children the best possible educational opportunities.

The process undertaken in this first stage of education works has been so successful that I believe it is only a matter of time before it rolls out to the rest of the state. This government has also undertaken major reforms in the manner in which students learn. Central to this has been the commitment to 10 new trade schools for the future and the new SACE. Last year I wrote the following in a submission to the state's review team:

Changing the upper secondary curriculum is perhaps the most important action this government will undertake during its second term. The success or failure of SACE reform is pivotal to the long-term prosperity of this state because all future development is primarily dependent on human capital.

I still believe this to be the case. For too long, secondary education in South Australia has targeted students for university when, in reality, many students have no interest in pursuing university studies. As a former student of Whyalla Tech, I am very much aware of the wide range of interests of young people and the failings of an education system that tries to push everybody into university study.

Students who are not having their needs met are simply dropping out of schooling altogether. At a time when a school shortage has created so many opportunities for those with

skills in education, it is a tragic outcome for both the individuals and the state as a whole to have young people drop out of school. The new SACE will allow for far more flexible learning environments, allowing students to follow pathways that are better targeted to the needs of the individual students and are better managed to the labour needs of the state.

John Howard often claims that the GST was 'the most important federalist breakthrough since 1942'. While the GST has provided increased finances for the states, it has also replaced a raft of state taxes, and has consequently increased the vertical fiscal imbalance of our federation. A recent paper put out by the Victorian Treasury estimated that Victorian revenue would presently be greater if the intergovernmental agreement on the GST was never implemented. The underlying assumption of the Victorian paper would also hold true for South Australia.

The main areas of commonwealth expenditure are social security and defence. Some additional funding of excess revenue in these times of plenty in the area of defence seems wise and prudent, and we have been a beneficiary of this defence spending with the project for the air warfare destroyer. The other area of great expenditure is traditionally social security. However, in boom times with unemployment at lower rates, the pressure on this area has actually decreased at the same time as revenue has increased. The practical effect of this has been a commonwealth government flapping about, spending excess revenue without really making a lasting difference.

Time expired.

**The Hon. I.F. EVANS (Davenport):** I want to comment on one aspect of the budget relating to the education portfolio which I have inherited. I intend to walk through something which I have noticed none of the Labor members is mentioning; that is, the costs that will be now charged to our schools—the extra costs that will be placed on our schools or, as the schools are calling them, the Rann government's school tax: the Rann tax on schools. This is a measure that has upset the 600-odd schools and DECS-operated sites around South Australia. I had the pleasure of attending the rally jointly organised by the AEU, the Primary Principals Association and the Secondary Principals Association on the steps of Parliament House last Thursday. By my counting, there were about 1 500 to 1 800 people at the rally, and they were angry. They have every right to be angry, because this government is imposing on our schools significant costs which will cause the schools a lot of grief.

Some of these, Mr Acting Speaker, as I am sure you are aware because I know that your schools have been writing to you, were announced in principle as part of the previous budget but the detail of the charges, or the cuts, or the savings measures (depending on the interpretation you wish to give them), were not really announced, and they are slowly drifting to the surface of the debate as the various associations meet with the minister and her bureaucrats to discuss what they actually mean.

The government has set up a little group within the education department called the EEE group, which is basically consulting with the minister about these particular costs and savings. I guess the message that is coming out of the discussions with the government is that these are not consultations, this is done and dusted, it is all over red rover, and these savings measures (or costs on schools) will start as from 1 January 2008. The minister has been running around

the state saying, 'The ink is not dry; we are still negotiating a number of these matters.' For those who have been in touch with the Primary Principals Association and others, it is crystal clear that the message that has been given to those from the education sector who have been involved in the discussions is that it is all over red rover and these will start from 1 January next year. I want to touch on the extra charges to our schools.

The first is the change to WorkCover. I was interested in the member for Napier's contribution. He said that Australia is having its longest and best economic boom in its history. The Leader of the Opposition, in his contribution in response to the budget, talked about the enormous tax take of this government over the last four or five budgets and, indeed, this budget and the forward estimates. So, you would have to ask yourself, then: on what basis has the government decided to change the way in which the workers compensation scheme is funded for our schools, kindergartens and childcare centres? What the government has done, with the agreement of all its backbench members, because they have all locked into this, is impose on the schools and the other DECS-run facilities a charge for workers compensation. The proposed amount, as we understand it, is approximately 1 per cent of salary. One per cent of salary does not sound a lot if you say it quickly enough but, when you sit down and analyse the costs to the schools, it is going to be a significant cost. While the charge (the 1 per cent levy) comes out of the schools' resource allocation, it will really come out of the discretionary side of school expenditure. There are examples of schools that have discretionary budgets of around \$400 000, but they will lose around \$100 000 of that each and every year as a result of the WorkCover levy and other charges that will be imposed on schools by this government.

The Premier came to power saying he was going to be the education premier. Nowhere did he say that he would introduce a charge for WorkCover on all the schools.

**Mr Hanna:** The school tax premier.

**The Hon. I.F. EVANS:** He is the school tax premier, as the member for Mitchell quite rightly interjects. Minister 'school tax' Smith has a nice ring to it and, if she proceeds with this issue, she will be labelled with that for bringing in another first for South Australia, another first for the Rann government, namely, a tax on our schools.

I had the pleasure of going to a meeting of all my schools in Davenport about two weeks ago as the school chairs had called a meeting to discuss the impact of these proposed changes. These examples are similar in every electorate across the state because every site—every school, kindy and child care centre—will be hit by these charges. This is what my schools tell me will be the impact of these changes. The high school says it will cut approximately \$100 000 a year out of its discretionary budget—\$100 000 a year for the Blackwood High School is approximately a \$100 increased cost per student per annum. One option to keep its budget in balance is for the school council to consider increasing the school fees by \$100 a year per student. If you are a family of more than one student—and I have had four children go to public schools—that is an extra \$400 a year for that family.

The Eden Hills Primary School said that it would have to look at an extra \$75 per student. It says that the parent community saved up for eight to 10 years to get enough deposit to buy a school sports hall and has put into its budget \$20 000 or \$30 000 a year from fundraising and parent fees to pay for that sports hall under the capital works program. Having just opened the hall last year, it now finds that it will

have another \$30 000 or even \$40 000 placed on its budget. It has a double whammy because it has committed itself long-term to buy the sports hall and now has to find tens of thousands extra in costs because of these changes to education.

The Bellevue Heights Primary School talks about a \$30 000 extra cost and the Coromandel Valley Primary School talks about a \$53 000 extra cost in a discretionary budget of \$70 000. Once the extra charges are put on that school, it will have only \$17 000 as discretionary spending. This was not done by accident; it was done deliberately. This was announced nine months ago in the last budget. This was not something that fell out of the woodwork this year. The minister, cabinet and every backbencher had the opportunity not to proceed with this or to design this in another way. This government has decided to impose extra costs on the schools, which will hurt school communities.

Other charges are being imposed on schools. Not only will they have the WorkCover issue, but they will have to find the first four weeks salary if a staff member is injured and the first four weeks salary for a replacement staff member, which is eight weeks salary. Depending on which school you speak to, they say it is between \$6 500 and \$10 000 each time that happens. Some schools are budgeting \$10 000 a term—\$40 000 extra costs—to cover injuries, just in case.

The budget having been set, what choice will the school have in term 3 when they get two injuries and suddenly find themselves faced with a \$10 000 or \$20 000 bill? What choice will they have? They have to take it out of their discretionary budget. About 97 or 98 per cent of a school budget is tied to salaries and other matters through industrial agreements. They will have to take that \$10 000 or \$20 000 out of the areas where they have discretion, such as out of curriculum, school camps, professional development and sports teams, or by not replacing books or equipment. The government has not done this by accident. It has thought long and hard about this. It was announced in September and re-announced in June. It is negotiating, if you believe the government, or it has already decided, if you believe the Primary Principals Association. It has done this quite deliberately. These are the impacts it will have. What choice will the school have when the budget is set at the start of the year and the injury occurs at the end of the year? The people who will pay the penalty will be the students—no-one but the students.

Another cost is energy and water saving. The government is requiring a 25 per cent reduction in energy and water consumption costs on the 2001 figure. When schools contact the department and say, 'Give us the 2001 figure,' the department cannot give it. If they do not get that right there is another cost to the school. Perhaps one of the greatest tragedies of all is that this government is pickpocketing the schools out of their SASIF accounts. It is taking the interest off their accounts, as they have a centralised banking system. That will cost schools tens of thousands of dollars.

If members think I am exaggerating all these figures, in the last few minutes I will read from a couple of letters I have received. The Padthaway school has written to me saying that the WorkCover levy will cost it \$5 989 a year; energy and water budget reduction will cost it about \$2 600 a year; and the interest payment will cost it \$12 200 a year. That is approximately \$20 000 a year gone from the school budget. How does a small community such as Padthaway, competing with all the other community interests in Padthaway, raise an

extra \$20 000 a year out of its school community to replace that expenditure? How will it do it? I think it cannot do it.

A letter from Mitcham Primary School states that it could lose approximately \$35 000 a year for WorkCover costs, \$14 000 for energy costs, \$8 000 in lost interest and \$10 000 a term if a surplus teacher is required. In its view that is about \$67 000. I think it has the sums wrong and it is more than that, but I use that figure. That is \$67 000 a year it has to find out of its discretionary budget or from the parent community. Then you get some bigger ones, and the minister has this letter from Hamilton Secondary College. Hamilton Secondary College argues that these changes will cost it a touch over \$200 000—between \$200 000 and \$250 000—a year. I do not know how the minister expects schools to raise an extra \$250 000 a year. The minister should come out and make it really clear. Is it the intention of the government to support an increase in school fees to cover the losses?

So the minister will be asked to clarify the government position: does the government support the increase in school fees to cover the extra costs on schools? In the case of schools in my electorate, as I said, it is about \$100 a student for the high schools and \$75 a student for the primary schools. I was in this chamber when the emergency services levy was brought in, and I can remember the then opposition (the now government) complaining bitterly about property owners getting charged \$80, \$90 and \$100 a year. We are talking about \$100 a student. We are talking about families with two, three, four or five students. We are talking about \$200 to \$500 a year for those families. This is a major issue for the schools and I think it will end up being a major issue for the government, because this will ultimately mean that the schools will have no choice but to raise school fees or cut curriculum, school camps, professional development and sports teams or not replace equipment, such as library books or computers. Is that the government's intention?

The minister admits that the workers compensation costs in the education department have reduced by 25 per cent in the last year without any of these reforms—not one reform, not one extra cost to schools. The workers compensation is reduced by 25 per cent, but did the schools get any bonus for that? Did the schools receive 1¢ of extra allocation because of that 25 per cent reduction? The answer is no. What the schools will get are these increased costs and charges, and this is on top of the 21 schools throughout the Adelaide Hills and beyond last year getting their \$30 000 cut. These cuts are on top of that. They are on top of the Be Active Let's Go program being cut. The minister prattles on that the Premier's new Be Active program is the equivalent, but let me give the house one example.

Blackwood High School in my own electorate has won the Howard Mutton Sports Shield as the best sports high school in the state for, I think, nine out of the last 11 years. So, the students at that school actually play a bit of sport. That school's sports teams have reduced from 20 to 12 as a direct result of the funding cut by this government. That means that eight sports teams have gone. The Minister for Health will stand up and rave on about physical activity, diabetes and obesity, but the direct impact of this government's education policy is that there are fewer sporting teams in schools as a direct result of their cut in funding. This budget cements them in. This budget locks them in, because this government has had nine months to change its mind and look at the impact. The backbenchers have had nine months to lobby the government and say, 'Don't hurt our schools like this,' but the reality is that the backbenchers are locked in. They

support the budget and they support these cuts. The school community should not forget that Labor promised an education revolution, and that is about what they are going to get through the cuts in this budget.

**The Hon. R.G. KERIN (Frome):** Like my colleagues, I wish to express some considerable dissatisfaction with the budget. I notice that, as my colleagues have been speaking, there has been a level of agreement from government members with much of what has been said. Many alarm bells are ringing, and I will confine my comments to the areas in which I see major problems arising from the budget and the information which accompanies the budget itself. First, I would like to say a little about my concerns with the biggest strategy that seems to have come out of the last two budgets and the decisions which have been made by this government since the last election.

I refer to what came out from the Treasury review. Members may remember that, after the last election, the finances were shown not to be what people had been told before the election. A Treasury official from interstate was called in to look at the budget and, quite frankly, I think that it resulted in a change from the government. I think it realised that it had had four years of absolute windfalls but had nothing to show for it, so there was a need to have a good look at its strategies. The whistle was blown and, despite the record levels of GST, tax take on property and payroll and whatever else, there were some major structural problems with the budget over the next four years.

Over time the Premier has said much about those dirty words 'privatisation' and 'asset sales' and he has signed bits of paper, or whatever, saying that his government would never touch either privatisation or asset sales. I think what it has come up with now is straight down that line. As a result of the Treasury review (and I am sure it came from that) the government had a long look at how it might be able to make things look good, as far as the budget goes, through to the next election. The government looked around at assets and the most liquid asset that it has left is land. We have heard much about the super schools and how this is education driven and what a great bonus for education in the state it will be. Right from the day that was announced I have been absolutely certain that it is more about bolstering the budget.

If 16 schools are closed, creating six super schools, that really frees up a lot of land. Those 16 school sites are not going to be sold off to pay for the building of the six super schools. Instead, those 16 school sites (or those that will not be used for school rebuilding) will be sold off for housing. I wonder whether the government will put the same restriction on itself as it has on Cheltenham Park Racecourse. That land will be sold and a lot of money will be brought into the budget over the next four years from the sale of that land. In return, the private sector will build the six super schools at very little cost to the budget over the next four years. It will basically lock future governments into enormous recurrent payments to pay off this government's decision to go down that track.

Virtually the same technique will be used with gaols. The silly decision to move the gaols from the metropolitan area down to Murray Bridge (which causes a whole range of other problems) is driven by exactly the same policy as that with the schools. It is driven by the fact that the gaols are sitting on land which is a very liquid asset and which can bring a lot of money into the budget over the next four years. I am talking about both Yatala gaol and the Magill Training



Centre. That land is very valuable. The government will close those gaols, sell off the land and get the private sector to build new gaols.

*An honourable member interjecting:*

**The Hon. R.G. KERIN:** That is exactly what was announced. That is what the government said it was going to do. Once it does that, it will again lock future governments into large, recurrent expenditure to pay for the infrastructure of those gaols.

In the last week or so we have heard about a new hospital, and it is the same sort of thing, although there is no guarantee as to what is going to happen with the Royal Adelaide site or several other sites around the place. I do not think the government will be able to get the same by way of land sales out of this as it will out of the others but, at the same time, if the government gets the private sector to build the \$1.7 billion plus hospital (whatever it costs), there will be huge recurrent expenditure for governments into the future.

This is all about shoring up the budget for the next four years and having money in the budget at the time of the next election. However, it creates for future governments an enormous amount of recurrent spending. On top of that, the reason we are in this situation and the reason the Treasurer had to get a reviewer in to look at the budget was because, at that stage, the government was employing about 9 000 more public servants than it knew it was going to employ. They did not know they had those people on the books; they snuck up on them. That was just very poor management. The fact is that the budget was in trouble. We now see asset sales and privatisations to get the budget back in order but, at a time when we are receiving record taxation revenue, it would have been great to see that invested in infrastructure. Instead, we have almost the opposite; that is, a lack of investment in infrastructure and a committal of future governments to enormous recurrent payments into the future—and who knows how long those tax windfalls will stay with us. Over the next 30 years, future governments will be faced with enormous recurrent expenditure at a time when taxation is dropping, and that is when we will pay the absolute penalty for what is occurring at the moment.

The Public Service growth to which I referred is a real problem for the budget. That is a recurrent problem. It has not been strategic at all. Ministers have not known that their workforces were growing. We have seen puzzled looks in here year after year when the Auditor-General has reported and the figures are brought out. You see ministers shaking their head. They have no idea how many people have been brought into their own bureaucracies and, quite frankly, we are not seeing extra services for it. At the moment in education, for instance, I know personally of people in the bureaucracy of the education department who are shaking their head. They turn up to work, turn on the computer and they have nothing to do, but no-one within the bureaucracy, or the minister, will push the button and do something about the overflow at Flinders Street and Hindmarsh and the growth in the regional offices of education.

The number of bureaucrats in that department has absolutely boomed. We have fewer kids in schools, yet a hell of a lot more bureaucrats. The situation is that, when the department is asked to find some cuts, it goes straight to schools. The member for Davenport outlined some of the pressures occurring at that level. Quite frankly, all the backbench members of the government need to question the Minister for Education and Children's Services about the cost cutting in schools when it should be occurring in the bureau-

cracy. There are too many people in Flinders Street and Hindmarsh. At a time when they are cutting the budget for schools, you do not need the growth in the bureaucracy which we have seen within the education department. No doubt, health is very much the same. The growth in the health bureaucracy has been enormous. We have seen the latest announcements and the member for Stuart was talking about his hospitals. We all face the same problems.

On the weekend, I attended several functions in my electorate at which I witnessed anger from people who normally would not mention anything political to you. They are all scared about what will happen with their hospitals. They know that, if you do not have a working hospital, you cannot keep doctors. We have seen doctors disappear from all the towns which do not have a working hospital, yet we hear that about 30 country hospitals across the state will lose that 'status' which allows them to keep good doctors. That will be a major problem in the future. Some of those towns have built aged-care facilities in the past few years. That could be a stranded asset. This is absolutely unfair on country people.

This is a bloated bureaucracy trying to justify itself and trying to keep the money within the bureaucracy by cutting country health. We need those doctors. A cynic would say that perhaps the government is trying to solve the shortage of GPs in the metropolitan area by closing country hospitals. They will not stay at hospitals where they cannot keep up their skills. Quite frankly, what the minister has proposed just cannot happen. If it does happen, then regional South Australia will be in enormous strife. The two things which people ask about when considering moving to those towns (whether they be teachers or whatever) are the school and the hospital. Schools are under enormous pressure at the moment and, if we lose the status of 30 hospitals, then no doubt we will see the quality of health care decline in those areas. As I said, doctors will be leaving.

I have spoken quite often in this house about the relevance of the South Australian economy to the national economy. I think that is one thing we need to keep well and truly in mind. The Leader of the Opposition quoted a lot of figures about South Australia not getting its share of national prosperity, and it is a major concern. For the last five years, we have been going backwards at a rate of knots compared with the rest of Australia. One measure I have quoted in this house before is that, when we left government, South Australia accounted for about 7.5 per cent of Australia's exports, but it just keeps getting worse and worse, and now we are down to 5.36 per cent.

The percentage of exports out of Australia that come from South Australia has dropped 27 or 28 per cent in just five years. That is not about drought; it is about the fact that the South Australian economy and our exports have fallen so far behind the rest of Australia. We are becoming increasingly irrelevant to the Australian economy, and that is a very dangerous sign. It sends a signal to business in Australia about how important South Australia is or is not. I repeat: in five years, we have fallen off the pace in exports by about 28 per cent. It is an absolute disgrace, and it comes directly back to the fact that this government cut a heap of programs we had running for exporters. It dropped the ball on the food industry, and it has let the wine industry fight its own battles. Quite frankly, it has done zero to encourage exporters to seek markets overseas. I think we are in a very dangerous situation at the moment.

As to payroll tax, the Treasurer tends sometimes to use some pretty extreme language about how wonderful everything is, about the biggest cuts in the world and whatever else. There is no cut to payroll tax. It has increased enormously under this government. The other day, the Treasurer talked about huge cuts to payroll tax. When we go to the budget papers, we see that payroll tax continues to increase. Even in real terms, over the next couple of years payroll tax will continue to increase. It is not a cut, it does not even keep pace with inflation, and it is absolute smoke and mirrors. Quite frankly, payroll tax in South Australia is still a major problem, and we are off the pace with everywhere else. The government might have conned a couple of people into saying something different, but look at what it is drawing out of the South Australian economy. Given the fact that we are not keeping pace with the rest of Australia and that our exports have dropped, the economy cannot afford the level of payroll tax that is coming out of it.

Similarly, under this government there have been enormous increases in property and motor vehicle taxes, and there is absolutely nothing to show for it, other than incredible pressures within the rental market. The private rental market has suffered enormously because of the land tax situation in the state. For a lot of people who have rental properties, their land tax has increased by 500 or 600 per cent over the last five years, and many have chosen to sell their properties. First homebuyers have bought those properties, so our rental stocks have decreased at a time when the Housing Trust is also getting rid of stock. So, we have a real problem with respect to rental accommodation, and it is impacting enormously on a sector of the community.

Infrastructure is another huge disappointment. We have heard so much talk about water, but there has been absolutely no action over the last five years, at a time when water prices are being increased by CPI plus 3 per cent every year for the next three years, yet there is no reinvestment into infrastructure. It is just an absolutely greedy Treasury grab. I really get perplexed when I hear the water security minister and the Treasurer talking about water reuse and how we lead Australia. We did lead Australia, but they have let go of that lead. A project in the north was probably not far from being signed off at the time we left government. Everyone else—the federal government, the growers and local government—has signed off. The state government is the only one not putting in its contribution.

In the south, nearly 12 months ago the federal government signed off on a huge reuse project. The private sector money is in, and the council has signed off. The one thing lacking is any commitment whatsoever from the state government. So, in both of those cases, it is incredibly disappointing that, with the great opportunities there for reuse, we are instead seeing that water go out to sea. We really need to see that investment come in. Those projects should be locked away before the federal election to make sure that we actually get them out. Meanwhile our leadership in re-use has absolutely gone out the window.

Again, in relation to desalination there is heaps of talk but no action. The government has attached itself to the BHP

Billiton proposal in the Upper Spencer Gulf like an absolute leach so that it can say, 'We're building the biggest plant in the hemisphere', or wherever. It is absolute rubbish, because the government has done absolutely nothing to help that project along. The government has basically tried to attach itself to someone else's project, as it did with the Salisbury council's project. This government has done absolutely nothing about water. I think the announcement made the other day to look at Mount Bold is the biggest load of rubbish I have ever heard. I have followed the water debate in this state, and what everyone has been saying for a long time is that we have to reduce our reliance on the River Murray. With respect to increasing the height of Mount Bold reservoir, people should understand that the current wall there is easily big enough to catch every drop of water that runs down the river into Mount Bold.

In fact, if we increase the height of that wall, it will only hold water we pump out of the Murray. It is the only increased capacity we can get. At this stage, it makes absolutely no sense to put all our eggs in the one basket by increasing the size of the wall at Mount Bold. People who have put forward that proposal could not possibly believe in climate change and do not take seriously the situation with the River Murray. The government has absolutely made a mess of the water situation. I look at the SA Water website virtually every day, and I say to members that they should look at the mess SA Water has made of the restrictions this year. Adelaide has used more water in the last 12 months than it used in the previous 12 months. So much for restrictions! We had the big waterfest, with the government announcing tough water restrictions six weeks before they were brought in. So, South Australians went on the greatest waterfest, and at the end of December, when the rest of Australia was looking dry, the gardens of South Australia had never looked so lush at that time of year, because we had watered the living daylights out of them. It is an absolute disgrace that we have used more water in this year than we used in the previous year. That just demonstrates that the government has absolutely messed up the water restrictions.

As I am running out of time, I will say just a few words about WorkCover. I have had a look at the questions we asked about WorkCover in 2002, 2003, 2004, 2005 and 2006, and I see that it has now all come home to roost. We kept being told that what we were saying was incorrect or whatever, but it has proven to be absolutely true. For this government, WorkCover is a mini State Bank—and not so mini at that! It is a disgrace. WorkCover should never have been allowed to get into the state it is in. South Australian employers and employees will pay a huge price because this government has not shown any stewardship whatsoever in allowing the WorkCover unfunded liability to blow out to the extent it has.

Time expired.

**Mrs GERAGHTY** secured the adjournment of the debate.

#### ADJOURNMENT

At 7 p.m. the house adjourned until Wednesday 20 June at 11 a.m.