

**HOUSE OF ASSEMBLY****Tuesday 7 April 2009**

**The SPEAKER (Hon. J.J. Snelling)** took the chair at 11:00 and read prayers.

**CITI CENTRE BUILDING**

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (11:00):** I seek leave to make a personal explanation.

Leave granted.

**The Hon. K.O. FOLEY:** On the last sitting day (26 March) the Leader of the Opposition asked me a question in question time relating to the ownership of the Citi Centre Building. In my response to the question I stated that the advice I had was that the Commissioners of Charitable Funds owned the real estate and the government owned the building. It is with all humility and humbleness that I apologise wholeheartedly to the house for providing the house with incorrect and misleading information.

When I became aware of that, I point out that, as is my wont, I immediately sought to apologise to the house. Unfortunately, the house had been diligent in expediting its business and had risen. I approached the Deputy Leader of the Opposition to humbly apologise to her personally (and that, in itself, is a humbling experience) but, as I have always found in my life, when one is snookered and clearly unable to find a way to explain one's actions in a way that might somehow mitigate the embarrassment, just 'fess up. I did that to the deputy leader and in respect for her group, because she chose not to humiliate me any further by laughing at me, or anything like that, and accepted the apology.

I said, 'Feel free to go on and belt the crap out of me in the press the next day'—which, of course, they did. It was somehow reported that it was one of my most humbling moments in the parliament. I would say it was not. I have been embarrassed far greater in previous episodes in the parliament and, indeed, have apologised for far greater sins in the past. Having been a long-serving member of this parliament, I have seen many a minister in Liberal governments lose their job over the fact that they would rather tough their way out than 'fess up and give a simple apology. Apologising does not diminish a person; in my view, apologising only makes the person—hang on, that's not very humble, is it?

*Members interjecting:*

**The Hon. K.O. FOLEY:** Going on, I went on to say—

*Members interjecting:*

**The Hon. K.O. FOLEY:** No, I have more to say in my personal explanation, because humbleness and error force me to say more. I apologise to the house for providing this information which I later discovered was incorrect. Might I add that my office checked my response during and after question time and received assurances that my answers were correct. However, on further investigation that afternoon, my office was subsequently advised that the initial information provided was incorrect. May I say that I take full responsibility for the error, under the Westminster system; I was wrong and I should not have said what I said but, in a very significant development—because I have never seen it before—a senior public servant, who was in part responsible for the transmission of the incorrect information, wrote me a personal letter to apologise because that person saw it as a failure of that person's professional conduct.

To be honest, I thought he was being harsh on himself. I was particularly proud of that officer, because he clearly accepted his responsibility and felt very sorry to have given misleading information to a minister of the Crown. That officer will remain nameless, because it is not his duty to be publicly debated. However, I think it was a very nice gesture, and I thank that officer for it. It in no way diminishes his standing in my eyes. In fact, it is quite the opposite: it enhances his standing in my eyes.

The reality is that we as a government are looking at a range of assets to sell in building assets. The Department of Treasury and Finance has established a unit, which is assessing all of the government buildings.

**Mr WILLIAMS:** I rise on a point of order, Mr Speaker. I think the minister has gone well beyond the realms of a personal explanation. I suggest that this is more akin to a ministerial statement and that the Hon. Mr Foley should be seeking leave to make a ministerial statement.

**The SPEAKER:** I think the Deputy Premier has now done what is required in terms of a personal explanation. If the Deputy Premier has other information to provide to the house, he might want to seek leave to make a ministerial statement. However, I will leave that to the Deputy Premier.

#### **CITI CENTRE BUILDING**

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (11:07):** I seek leave to continue my remarks in the form of a ministerial statement.

Leave granted.

**The Hon. K.O. FOLEY:** I do not know what the issue there was but, anyway, there are only a few words to go. What I have been saying I think is valuable information. We have established a unit to assess the best method of realising the value of a number of government buildings. Whether it be direct sale, long-term lease, transfer of a lease, or any other method, we are scoping out a number of government assets. The error, in part, was also compounded by the fact that we tried to use an example that obviously was not necessarily the best example.

We are looking at buildings owned and tenanted by government, buildings owned by government and tenanted by the private sector, and buildings owned by statutory authorities or other parties and tenanted by the government. We will look at ways of realising value in these assets. We have many more buildings than we need to meet the target I have set aside for asset realisation, so the government's program is not affected by this. Again, I apologise to the house.

#### **FAIR TRADING (TELEMARKETING) AMENDMENT BILL**

Adjourned debate on second reading.

(Continued from 19 February 2009. Page 1691.)

**Dr McFETRIDGE (Morphett) (11:08):** I indicate that I am the lead speaker on this bill. I will not take up a lot of the time of the house. The opposition supports this bill. There is nothing more annoying than sitting down to tea at night and the phone rings and it is someone offering, in their mind, some telemarketing opportunity. In my opinion, 99.9 per cent of these calls are an absolute intrusion on someone's privacy and family life and their personal time with their family.

In many cases, the high pressure sales tactics that are employed by the very skilled people at the end of these telephone calls can be intimidating to some people. So, the opposition supports the need for the introduction of this type of legislation. The information that is now available on email lists and telephone lists is being used more and more by telemarketers of all sorts, whether it be mobile phones or SMS replies, where people are being locked into contracts. There are a lot of issues consumers of all sorts of telecommunications equipment should make themselves aware of, because they will be approached in many different ways by wised-up marketing gurus. Some of those marketing gurus are not even in Australia; they are overseas at call centres. I have a lot of issues with the 'Bangaloring' of jobs, as it is often put, where people in Australia are losing their jobs which are being given to lowly paid people, in most cases, who are desperate for work in Third World countries. India is the classic case.

The telemarketing we are talking about, in this amendment bill, as I understand it, is more frequently from Australian-based telemarketers. I do not know, though, because you are only a mouse-click away from the rest of the world, never mind a telephone call. The bottom line is that consumers need to be given some protection from this type of marketing.

The Do Not Call Register was started by the former federal Liberal government, which well over a million households have subscribed to, where your telephone number goes on to a 'do not call' list. Telemarketers are given this list, and I understand that there is a fair degree of compliance with this list. That has helped quite a bit with the annoying side of the telemarketing industry.

However, I still see the need to provide some increased protection for people who are entering into those contracts, and that is why the opposition is supporting this legislation, to make sure that people are protected from those telemarketers who get on the phone to persuade people to enter into a contract, and that is happening here.

The cooling off period is being extended to 10 days—that is the main tenet of the bill. The bill also provides that the telemarketer must make it clear to the person who is entering into the contract the total consideration to be paid or provided by the consumer and, if the total consideration is not ascertainable at the time of the contract, it must also be provided in writing.

The need to make sure that people are 100 per cent clear about what they are entering into, particularly in a telephone conversation, is vital. The opposition is supporting this legislation; it is overdue, and it is good that it has been introduced to this house. I will not take the house's time anymore, other than to indicate that the opposition supports the legislation. I look forward to its passing both houses and coming into force so that consumers in South Australia can receive the protection not only that they deserve but that they have been asking for.

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

*A quorum having been formed:*

**Mr PISONI (Unley) (11:14):** I want to take the opportunity to say a few words in support of this bill. I think the major difference here between a telemarketing sale and a sale that occurs in a shop or through a service provider is that the telemarketing sale is generally a cold call. They are really no different to the same sort of call that you used to get from the old pots and pans salesman. There is a very famous American pots and pans salesman called Zig Ziglar. I do not know whether members have read his book but those of you who have come from a sales background may have read it in order to understand the basics of selling.

We need to ensure that the vulnerable and those who are easily intimidated are, in fact, protected, so that they do not end up in a situation in which they may feel that the only way they can get their evening back, or get out of the uncomfortable situation they have been placed in by answering their telephone, is to say, 'Yes, okay, I'll sign up; I'll do the deal. Where do I sign?' They really need to have some ability to get out of that situation once they have realised its implications or discussed it with friends and relatives.

It is particularly important to many of our multicultural pioneers, if you like—people like my father, who is 82 years of age, having come out from Italy in 1952, and many of those in the Greek community. I have said time and time again that I believe that those mass migrations from Europe, particularly the Italians and Greeks, after the war really were the pioneers of the multicultural community that we enjoy in South Australia today, and I know that many of them may feel vulnerable in that sort of situation.

Certainly, my father, who these days claims that he even thinks in English, would still have difficulty in understanding the concept of a telephone call that signed him up to a 'you beaut' deal for a phone, or something else. For somebody like me, and I suppose like many people in this chamber, receiving a call from a telemarketer can be a bit of a challenge. It is something that we relish and we may very well enjoy the sport that we could create with the person on the other end of the line.

I know of some tactics—I will not say that I have used them but I know that people like me may very well have used them—one of which involves grilling the person on the other end as to just where the organisation they are representing is located. 'Why are you calling from a withheld number?' is another classic question to ask these people, and, 'Who are the directors of your company', is another question that many of these telemarketers are not able to answer or feel very uncomfortable answering.

When you go into a retail shop, or a retail service business, it has a profile and you know where they are. If something goes wrong you can go back to see them, and they have warranty obligations that they are compelled by law to comply with. Many retailers, because of competition, have warranty commitments that go well and truly above those of the statutory warranty obligations with which retailers must comply as a minimum, and that is a good thing.

Of course, a warranty is only as good as the company that it comes from. The problem we have with unsolicited telephone marketing, of course, is that we do not know where that head office is; we do not know who the owners of that business are; we do not necessarily know what they represent. Even if it is a big company like Optus or Telstra, try getting a decision—try getting an explanation of your phone bill or getting something corrected.

I have a favourite line I use when I am told by the operator, 'There is nothing I can do for you about this area, or this abnormal usage recorded, in your bill on that particular day. Just because you had your phone in for servicing, for example, we don't think that is a good enough

excuse for you to say that you didn't have your phone on that day and you weren't using it.' When the answer comes back, 'Well, there is nothing I can do for you, sir. You must pay the bill,' I say, 'Well, you obviously can't help me, so let me speak to somebody who can.' Then another five, 10 or 15 minutes is spent on the phone waiting for a supervisor to become available.

The quickest way for telemarketers to get a difficult customer off the phone is to say, 'We will call you back.' However, my advice to people in that situation would be to not allow that situation to happen because, guess what: you will not get the call. That certainly happened to me several times in the early days.

I am a little wiser these days. I tend to ask, 'Whereabouts are you? What city in India are you calling from?' The other day with Optus, I think it was the Philippines. I then ask for an employee number, and only then do I agree that someone can call me back. I must say that, in this instance, someone from Melbourne called me back within 24 hours, and we managed to negotiate a settlement of the bill. Of course, I was fighting for taxpayers' money here. The bill to which I am referring related to my phone account in Unley. We were able to negotiate a settlement, one with which I was not entirely satisfied, but there was a substantial reduction in the usage charges.

The point I am making is that there are many people out there who do not have that ability or resolve—or, some would argue, that fire in their belly—to achieve a fair and reasonable result, and they often become the victims of telemarketing contracts, for example, to switch phone companies. When we first had the ability to choose phone companies, aggressive campaigns were waged by One.Tel, for example. I can remember One.Tel offering all sorts of deals for people to switch from either Optus or Telstra to One.Tel for their home phone, and so forth. People were told that, if they paid a fixed amount, they would receive enormous benefit by switching over 'right here and now'.

If someone agreed to that, they would end up with a recorded message where a question was asked of them and they had to state their name and address and state that they agreed to the process. It was then described as a binding contract over the phone and the person's phone line would be transferred from one of the major carriers to one of the minor carriers. People thought that that was okay until their first bill came in and they discovered that it was not what was described over the phone. I know that happened to many people 10 or so years ago, when we first had the ability to move from the major carriers to minor carriers, and a very aggressive marketing campaign was conducted.

We see this situation all the time, where people are put under duress. They may be at home on their own and do not have a lot of personal contact with others, apart from family members ringing or popping in every now and then to say gooday and see how they are going. So, of course, when the phone rings people become very excited and they answer it. They do not care that it is a withheld number or that they are not expecting a call from a family member, because they have an opportunity to speak to someone on the phone. It may very well be someone trying to sell them a product that they do not want, need or understand, or it may be a call to switch telephone or electricity companies—which is another situation where contracts are conducted over the phone.

I think we should provide any sort of consumer protection we can to assist the vulnerable, in particular, and those who do not have the ability to think on their feet or to hang up the phone. I have always said that is the best thing to do if you receive a phone call that you are not expecting and you are put on the spot to have a conversation or even reveal information about yourself. When the person on the other end will not identify themselves or where they are calling from, I say: hang up.

If you want a bit of sport, do not hang up and just leave the phone on the coffee table and walk away. That is another way of dealing with it. I am not advocating that is necessarily a fair thing to do, but I know that some people may very well be tempted to do that—particularly if they have been the recipient of these types of calls more than once and particularly if they have been victims. I use the word 'victims' because there is nothing worse than having your evening interrupted by an unsolicited call on the telephone. Of course, it is a lot different from people walking into a shop and deciding that they want to see what it is you have for sale or they want to know about the service that you are offering because they have heard about your business or they have walked past your business and they know who you are. So, the Liberal Party supports the legislation and is very keen to see consumer protection.

**Mr VENNING (Schubert) (11:26):** As has been said, we support this bill. It is certainly a modern problem, now with modern legislation to cover it. As has been said, it is a minor bill which extends the cooling off period to 10 days (which we know is the current situation in relation to unsolicited door-to-door trading) for unsolicited contracts made by telephone. I notice the government believes that the extended cooling off period will help those who are most susceptible to telemarketing sales tactics. The bill ensures increased consumer protection for those most vulnerable to consenting to contractual obligations for unwanted goods and services. I agree that the federal government's Do Not Call Register demonstrates consumers' general dislike of telephone sales canvassing. It has certainly been very popular and shows there is a general dislike for what is happening.

I am annoyed because, obviously, there are companies with call lists that share this information or sell it to each other and, as the member for Unley said, I am often tempted just to put down the phone and walk away, but it is not polite and not really ethical, either. It is so annoying when you are busy and these phone calls come in, particularly from other phone companies that say they can do you a better deal and expect you to know on the spot what your current arrangement is and whether or not theirs is a better deal. In our house we very rarely respond to telemarketers—and I think one of the reasons we do not get many such calls is we do not act positively. However, we do respond to charities, and there are many charities that ring us regularly—for instance, the association for guide dogs for the blind—and I believe that is a proper use of telemarketing. Likewise, the Salvation Army uses that method, and I have no problem supporting that.

I note, however, how annoying these call centres are. The person on the other end of the telephone is purely there to do a job. They talk like machines—they may as well be a machine, because they barely listen to what you say. They are so programmed with call after call that, if you say something that is off the script, they do not know how to handle it. They are programmed to answer set questions. You give an answer that is not on their program and they do not know how to handle it. It really annoys me that a lot of these call centres are based overseas. I am not racist, or anything like that, but they have heavy accents and a total misunderstanding of who they are talking to, the geography of Australia and our ways and customs, and it really annoys me.

You hear businesses saying that South Australia should be in the eastern standard time zone, but when you consider that most of the call centres are operating in countries like India, it makes a mockery of that argument. India is a long way from our time zone. It is an interesting and necessary bill, and I support the shadow minister, the member for Morphett, who has a very good hold on this subject. In this place we are a telephone oriented profession. The standard of service sometimes leaves a lot to be desired, particularly in country regions; I will continue talking to my supplier, Telstra, which is generally pretty good, but I have had a few troubles. If you cannot get a person in a hurry, it can get very frustrating. We support the bill.

**The Hon. J.M. RANKINE (Wright—Minister for Families and Communities, Minister for Northern Suburbs, Minister for Housing, Minister for Ageing, Minister for Disability) (11:31):** I thank members for their contribution and support of this bill. Obviously it is not about closing down call centres or stopping people from using telemarketing, but about ensuring there are protections in place for people. Obviously the federal government's Do Not Call Register, as the member for Morphett highlighted, has been particularly popular and there were one million registrations on the Do Not Call Register within the first month of its being introduced.

However, there are people who we think are particularly vulnerable to unscrupulous pressure from these salespeople, and this legislation puts some protection in place for the people concerned. When you get a telephone call in relation to someone trying to sell you a product or service, there is no chance to compare or consider the worthiness of that offer, so providing South Australians with this 10 day cooling-off period gives the opportunity for people to do that, and places appropriate obligations on those companies wanting to use this technology. I thank members for supporting the bill.

Bill read a second time and taken through its remaining stages.

#### **AUTHORISED BETTING OPERATIONS (TRADE PRACTICES EXEMPTION) AMENDMENT BILL**

Adjourned debate on second reading.

(Continued from 25 March 2009. Page 2084.)

**Dr McFETRIDGE (Morphett) (11:33):** I indicate that I am the lead speaker for the opposition on this bill and that we support it. This amendment is a technical amendment to the Authorised Betting Operations Act 2000. The opposition predicted that this might happen when we dealt with the Statutes Amendment (Betting Operations) Bill 2008. We supported that bill last year because it was necessary; bookmakers in the Northern Territory who were placing bets on races in South Australia and other states were taking money away from racing in South Australia.

The original betting operations bill was aimed at getting some money back into racing from interstate betting organisations and bookmakers, and that has worked, but there are still some technical changes that need to be made. The betting operations bill involved actions under the Trade Practices Act and exemptions were required to be put in place at the time. As a result of the universal application to all activities in both trade and commerce, the Trade Practices Act impacts on regulatory activities for racing control authorities and then administration and collection agents, and it creates a possible litigation exposure for them.

The bill will correct this and provide a comprehensive Trade Practices Act exemption to the racing control authorities, which, after all, are just complying with the regulatory requirements imposed on them by this parliament. With that, we support the bill.

**Mr GRIFFITHS (Goyder) (11:35):** I wish to make only a brief contribution. Given that I attended the backbench portfolio meeting yesterday and asked some questions, I thought I might take the opportunity to put those comments on the record. I am not a gambling person, but I certainly appreciate the opportunity to attend the races. I acknowledge that it is a great opportunity for people to get out, and all who attend really do enjoy it. The Balaklava Racing Club is in my electorate and it is a wonderful place for anyone who has the chance to visit, especially the cup later this year.

Will the minister comment on the cash effect upon South Australia as a result of this legislation? Other states, in particular the eastern seaboard states, have larger populations and seemingly have a larger number of people wishing to partake of betting opportunities. My understanding is that, by putting these arrangements in place, it creates a situation whereby, when we bet on interstate races, a portion of that fund will go to that state, but, because a larger amount of transactions are wagered on races that occur in this state, the financial return to South Australia will be somewhat larger than our outlay to other states. On the basis that this bill supports cash positive opportunities for the state, I am very happy to support it.

It is commendable that, in its original consideration of the previous bill, the opposition noted that there would be a need for this. It does show that, quite often, we work above politics, recognise where some adjustments will be necessary and then try to forewarn the government that, when considering such legislation, it needs to look at certain aspects. Good debate in both chambers of parliament should be focused on what the industry's needs are. In this case, we are amending legislation to support the industry. From the information provided to me by the member for Morphett, I think racing supports some 9,000 people—

**Dr McFetridge:** Three thousand full-time jobs.

**Mr GRIFFITHS:** Certainly it is an economic driver in this state and it is an important one, so any legislation that we can support in the parliament to ensure the future of that industry is good.

**Mr VENNING (Schubert) (11:37):** I support what the member for Goyder has just said. We are happy at any time to look at existing legislation and finetune it, as has been done in this case. I think that, if we took a lot of the heat out of the way we carry on in this place and we did more of this—and some of this work could be done by a joint committee before legislation comes into this house—we would get on much better and we would probably be much quicker in putting legislation through—

*Dr McFetridge interjecting:*

**Mr VENNING:** Yes, I think it is probably to do with the new minister. He has made a big impact since he has been minister. He has been on the radio in the north of our state and certainly he comes over pretty well. He is honest and diligent in what he is trying to do and not too political—not yet, anyway. Let us see whether he can keep that record up. It is a very important industry to the state.

Over the years, we have been associated with the industry. I am not a great punter. I have been a few times. I used to follow certain jockeys in my younger days, but I have not of late. In the very early days, we used to supply fodder to the industry. You could say that there are many

horses out there that eat a lot of chaff and, particularly today, they eat premium grade fodder. They do not eat ordinary, trashy old pasture hay: they eat premium grade hay—good enough that we could almost eat it ourselves.

We used to supply all the chaff to Port Pirie in the old days. It was a very good money spinner, particularly through difficult times during and after the Depression. It is probably one of the single biggest reasons that the family re-established itself; that is, by supporting the racing industry. I can recall as a young lad going to Port Pirie with my father in an old 1927 Chev truck, with a full load of chaff on the back—of course, chaff is not very heavy, so it was a big high load all tied on—and delivering to all the trotters and the racehorses. Incidentally, some of the same names are still operating in Pirie.

It is a very positive industry; and, as was previously mentioned, more than 3,000 people are employed either directly or indirectly in this industry. Some of us are not great gamblers and the social aspect of going to the track is not our thing, but we must all understand how important this is to South Australia; and, with the current upset that is going on with the SAJC, it is a concern. We just hope that can be resolved quickly without any undue personal harm to people, but due processes must be followed. As I said, this is all about fine tuning existing legislation, and I am happy to support this together with my colleagues and, certainly, support the industry.

**The Hon. A. KOUTSANTONIS (West Torrens—Minister for Correctional Services, Minister for Road Safety, Minister for Gambling, Minister for Youth, Minister for Volunteers, Minister Assisting the Minister for Multicultural Affairs) (11:40):** I thank the opposition for its support, and the shadow spokesperson is right: the opposition did foresee this legislation coming to the parliament. The Hon. Terry Stephens in another place mentioned that in his remarks, and I want to thank him for his support of this measure. The answer to the question asked by the member for Goyder is that I am advised that Racing New South Wales has already sent an account to SATAB for \$123,000 based on Thoroughbred Racing SA's 2007 turnover in future estimates, but I will double check on that. We estimate that, if all other jurisdictions in the funding model start paying in, the figure is expected to exceed \$9 million. We will not know for sure until this measure passes, but we will make those figures available.

I want to make a few other closing remarks about this bill. Amendments late last year to authorise the Betting Operations Act addressing the issues arising from the Betfair High Court decision created the concepts of integrity and contribution agreements. The efficient administration of these agreements between the South Australian racing industry and wagering operators requires coordination. This function has been taken on by Racing SA on behalf of the racing controlling authorities. The bill replaces the trade practices exemption included in the amendments late last year with one that is more complete, and fully accounts for the arrangements that had been put in place. This change, albeit technical in nature, is an important step in reducing litigation risk to the South Australian racing industry, which is the most important aspect of this bill.

I thank members for their willingness to progress this bill as a priority, and I commend the bill to the house.

Bill read a second time and taken through its remaining stages.

### SUPPLY BILL

Adjourned debate on second reading.

(Continued from 4 March 2008. Page 1843.)

**Mr GRIFFITHS (Goyder) (11:43):** I indicate from the start that I am not the lead speaker on this matter; the Leader of the Opposition will take on that role. I refer, of course, to the Supply Bill 2009, which, as I understand it, is for the appropriation of up to \$2,750 million to be made available to meet the needs of the state as we come to the forward period. I think that, sadly, I will contribute the type of message that has been delivered by oppositions probably forever in a supply bill debate, because it is an opportunity to analyse government priorities in previous years, to consider its areas of expenditure and income, to express concern about its management of liability and debt and, really, to put the case across to this chamber about the issues that we feel face South Australia from a financial perspective. As we all know, the world is a very different place to what it was 16 months ago, so finances are impacting on everything that is occurring.

I will start, though, from the beginning and talk about our review of the Mid-Year Budget Review presented by the Treasurer, I think, just prior to Christmas 2008. Our review of that indicates that the problems lie in an expenses situation and not necessarily with the revenue.

Certainly, we know that the Treasurer has commented on the fact that, from last year's end of year result (which, I believe, is a surplus of some \$460 million), we now know from the Mid-Year Budget Review from a net operating option (one of three that are available—which the Treasurer has chosen to use even though it was not his original intention) that the deficit for this financial year will be some \$112 million.

I highlight that that figure is from the Mid-Year Budget Review. Since then we have had a further deterioration of that financial position, as a result of the confirmation by the federal government of a lessening of GST revenue. I understand that is an additional \$880 million, and the component that relates to this financial year is \$155 million. Therefore, adding those two figures together, it potentially pushes it out to about a \$260 million deficit for this financial year. A lot of factors come into it, but that is the possibility.

When talking to people around the state in the last couple of months, I have been trying to reinforce the fact that, while being concerned about the deficit, they have to look at the end of year results for the two financial years and what the cumulative effect will be. With an end of year surplus of some \$460 million and a potential deficit of \$260 million, it is a \$720 million turnaround. Now, \$720 million out of a \$14 billion budget is a significant amount. It is an area about which South Australians need to be concerned. That is where we reinforce the fact that the revenues have been quite good—in line with the predictions from the budget delivered in June 2008—but the expenses create this problem.

We know that the government, as part of its management of the deteriorating situation, is intending to sell properties, including some 600 government employee houses around South Australia. Certainly, that is a concern, given the current state of the residential property market and the value which will be realised. These homes provide an accommodation option for teachers, police, doctors and nurses who work in regional South Australia. It is hard enough to get people into those areas, let alone not having a house available for them.

We know that there has been a deferment on infrastructure that is intended to be built. Certainly, the largest example is the Murray Bridge prison, which has been put back two years to 2013. That is an enormous project involving a public-private partnership. The new minister has been making announcements about additional expenditure within prisons in order to accommodate more prisoners. The shadow minister has told me that bed occupancy within prisons is above design capacity, so deferment of those projects is a concern.

I want to talk about public-private partnerships. Some 16 months ago it was announced that a hospital would be on a greenfields site at the railway yards. We know from recent comments provided by the Treasurer that the funding model for this project will change because of the tightness of the credit market when it comes to attracting private investment. From what I have read—and certainly the Treasurer confirmed this in his statement in the house several weeks ago during question time—while there is a willingness in the marketplace to provide up to \$700 million towards public-private partnerships, it is reported that the hospital will cost \$1.7 billion—again, there is no basis for the real costings behind that figure, other than a cost of \$10,000 per square metre for the site, as I understand it—and, according to the Treasurer—which has been confirmed by information available publicly—the government will need to borrow \$1 billion for this project. We have concerns about the long-term impact of borrowings upon the state, especially in relation to its AAA credit rating—and I will speak about that in the future.

We recognise that a public-private partnership is a viable option for infrastructure builds. Many states of Australia are pursuing public-private partnerships. Predominantly, they have been an option in the eastern states. South Australia first chose it for police stations and courthouses. That was a \$34 million project which worked quite well. It will be interesting to see what the final mix will be, if the election result next year allows the Labor proposal to go ahead. I work with a different philosophy where it will not be an option, because we in opposition are proposing a very different project. It will be interesting to see what happens.

I have talked a little about the fiscal outlook for this year, but there are three measures if a government balance sheet is in deficit or surplus and, upon his ascension to the role in 2002, the Treasurer intended that net lending would be used, but that was forfeited some years ago because it is a very difficult accounting measure to determine that we are in surplus. Indeed, if we look at the Mid-Year Budget Review and the net lending position, we see a deficit of some \$819 million.

We have become rather flippant when we talk of dollar figures, but we should never do that because they are public funds. When we in this chamber refer to projects, infrastructure and



services that cost millions, we must remember that every one of those dollars of those millions actually comes out of the pocket of the people who live in our state.

There are 1.6 million people in this state, and we need to ensure that we present budgets that are balanced and have the capacity to provide the services and infrastructure required. We need to ensure that budgets are presented that take money within a reasonable range, and this is where, in the past six months, land tax has been a concern within the South Australian community.

I have spoken in this chamber previously about land tax, and it is a very topical issue on radio and in the print media. Those who hold properties other than their principal place of residence are very concerned about the impost land tax is now forcing upon them. The Treasurer espouses the fact that the increase in valuations is a good thing for the state and, to some degree, I understand that. However, when the increase is without any adjustment to the threshold of figures for land tax or, indeed, the rates applicable across those thresholds, it really make a difference.

I am aware of stories of land tax liability increasing from \$14,000 to \$124,000 across a group of properties, with no change to the scope of those properties, in two consecutive years. How can any businessperson plan for that level of cost increase? The bottom line is critical to everything so, unless we ensure that we have tax policies which attract business to the state and which act as an incentive and not a negative to investment opportunities, it will be very hard for us to move forward.

The Mid-Year Budget Review identifies that state revenues have improved by \$180 million since the 2008-09 budget was handed down on 5 June. The dilemma, and the reason for the significant deficit we are now left with, is that expenses have increased by \$453 million, and that is what needs to be identified. Revenue is coming in on budget or, in some cases, above it, but the expenses are out of control.

Our estimation is that, to some degree, the federal government is making up the difference. In 2008-09, in the areas of health, education, housing and community service, this state's payments are above what was originally intended and it will receive an extra \$429 million. You could say that is the result of good negotiation between the two levels of parliament but, importantly, I think it is an example of the fact that federal Labor understands that all states are suffering from financial issues, that the economy is struggling and that people's confidence is down because they are concerned about their future.

So, the federal government is prepared to mortgage its soul to some degree to ensure that it has funds to inject into the economy. In itself, that is a good measure, but our concern is the level of future funds that are being borrowed to fund this expenditure. I read with a lot of concern the federal proposal to increase the maximum borrowings from some \$75 billion to \$200 billion. On those figures, I cannot even begin to imagine the long-term liability to our nation if we get to level of debt, from a government perspective, on federal borrowings.

I know that, between 1 January and 30 June this year, the federal government is issuing about \$1 billion of bonds per week in an attempt to raise \$25 billion or so. The state certainly has a lot of challenges. It is interesting that the feds have guaranteed state borrowings, initially at a slight additional premium, but we need to move forward.

I will also talk for a little while about the unfunded superannuation liability which, for me, has been an issue for some time. I understand that the defined benefit scheme previously in place for public servants was very beneficial to those who work in the Public Service—and there is no doubt about that—but it created a liability that future taxpayers would have to fund.

There is a plan in place for superannuation to be fully funded by 2034. My understanding is that that plan was put in place during the first term of the Liberal government, with Stephen Baker as Treasurer—I could be corrected on that—and that time frame has not changed. Since defined benefits have been replaced in the main by accumulated benefit schemes, where people's eventual superannuation is dependent upon the level of investment made by the employer around themselves and, indeed, the return that those investments receive, it will create an easing of that longer term liability.

However, we know that in the short term there have been significant jumps in unfunded liability for a couple of reasons, predominately through lower returns on investments within the global market. South Australia is like many other places in the world where investments are as diversified as possible with a fair spread of where those dollars go.

We know now that the stock market crashes in the last 16 months have resulted in overseas shares, especially, decreasing by far more than the Australian share market, which I think has gone down about 45 per cent, but it is interesting that the superannuation unfunded liability has increased from \$5.1 billion in 2006-07 to \$9.3 billion in 2008-09. It is expected to increase fractionally more and then stay relatively stable for a few years before it eventually starts to decrease, until we get to 2034 when there will be a level of full funding for it.

The credit rating for South Australia is of real concern to me. On first reviewing the budget papers when I came to this place, I noted that it seemed as though the ratio of 75 per cent of liabilities to revenue was a trigger point. Now we know from the Mid-Year Budget Review that this financial liabilities to revenue ratio is actually 87.3 per cent and that it is predicted to increase to 92.1 per cent next year. It really does make me wonder how long we are going to retain our AAA credit rating.

The Treasurer has taken great pride in the fact that he was the person in charge upon the return of the AAA. I know that he has held a very strong belief that he would do everything possible to ensure its retention, but that policy has had to be relaxed by virtue of the fact that it is important that governments continue to spend to create job opportunities in order to create a stronger economy in these difficult times. However, one wonders when our state will be exposed to the very serious risk of losing its AAA and going to a lower rating. In effect, that will actually cost the state more, because the cost of borrowings will increase.

I believe that in Queensland, which has the expectation in future years of an enormous amount of borrowings to fund infrastructure, following an increase in interest costs as a result of losing its AAA credit rating just prior to the recent election, it will cost them about \$300 million per year extra in interest payments.

South Australia has had, until very recently, a relatively modest level of borrowings, but the Treasurer is certainly announcing—and I believe I am stating this correctly—that, in future, his intention is to go to the marketplace to borrow some \$2.2 billion (I think that was the figure he mentioned). That, coupled with the new hospital potentially requiring borrowed funds from the government and the \$1.1 billion that is intended to go into the desal plant, will really start to put the level of debt of this state up into a red alert area where not only the trigger effect will be reached but we will have to look at how this budget operates structurally to ensure that we have any chance of retaining our AAA credit rating.

As the Treasurer stated on the record on 14 October 2008, the crashing of revenue has blown these ratios up into the red light territory. I enforce my previous comments. Revenues are reasonably stable for the budget, but it is in expenditure where the real difficulty lies, with an additional \$450 million of expenditure across the forward estimates according to the Mid-Year Budget Review. Tasmania has a lower rating than us, but its liability ratio is actually better than ours.

Standard and Poor's, no doubt, will review this on a regular basis. I know that the Treasurer is talking to them, and has other people talking with them, about the key points, but it will be interesting to see what happens. It is important for the state that we ensure that we keep it under control, because if we borrow more money and, all of a sudden, the interest payments increase, we do not want to return to those very terrible days of 1996 where federal debt was \$96 billion, and \$8 billion per year was being spent on the interest costs alone.

Revenue has actually been an interesting one because, while the Treasurer espouses his capacity to finely manage the budget to deliver surpluses and get debt down, we note that, between 2002-03 and the 2007-08 financial year, revenue in this time collected above the budget predictions was actually a massive \$3.7 billion (not \$3.7 million, but \$3.7 billion) more than was expected.

The Auditor-General has, in quite a few reports, actually noted concerns about this, because the state has received very large amounts of unbudgeted revenues and appeared to be relying on this fact to actually ensure that the books were balanced and surpluses delivered in each year and across the forward estimates. So, we have much to do.

From our point of view, as a party that certainly wants to support the economic growth of our state, we have a lot of concern about the increases that have occurred in state taxation revenue. Payroll tax in the period of this government has increased by 52 per cent; taxes on property have increased by a massive 104 per cent; taxes on gambling by 29 per cent; insurance,

43 per cent; and motor vehicle taxation by 35 per cent. Overall taxation revenues increased by 63 per cent in those seven years or by an average of 9 per cent.

There is an expectation in the community for some level of increase. We know that costs go up, but how are people who in the majority of cases in this state are on fixed incomes through wages, salaries, pensions or other benefits meant to try to fund increases in costs like that? Land tax, which we know is 126 per cent above the mean average in the nation, is a classic example of that.

There is the need for review but, sadly, it does not appear to be very high on the Treasurer's priority list, and we are not getting the review that we need. I understand that revenues need to come in, but expenditure needs to be controlled. We need to ensure that these revenues reflect the ability of the community to pay, too, and I am not sure if we have done so.

It is interesting, on the matter of revenue, that SA Water has actually put into the state's coffers. Since 2002-03, SA Water's customers have funded Treasury by some \$2 billion. We know that, out to the 2010 period, that is predicted to be some \$2.5 billion. We know that water prices are being reviewed and increased significantly and, especially for those people in the lower end of use, will be increasing by some 97 per cent between 2007-08 and 2009-10.

Water pricing is an important issue, because it is an important management tool when it comes to total water consumption, but charging that level of increase for people at that level of usage really does raise a lot of concerns.

Time expired.

**Dr McFETRIDGE (Morphett) (12:03):** I rise to speak on the Supply Bill before us, and I note that it is for the supply of \$2.75 billion. That is an interesting figure. If you look at the unfunded WorkCover liability at the moment of \$1.3 billion that was announced last week, and then look at the fact that WorkCover is now a really worrying 51.7 per cent funded and you work that back, that means that the total liability for WorkCover now is \$2.7 billion: almost the same figure as this Supply Bill.

If you then add on to that \$2.7 billion the government sector for workers compensation, which was about \$400 million unfunded (it is probably now \$600 million unfunded), its investments will have been dropping off as well through government sources, so you are probably looking at close to three quarters of a billion total liability there.

Then you add in the sleeper that has come in with this new legislation which this government introduced last year and which was going to solve all the problems of WorkCover: the introduction of provisional liability to WorkCover claims. The government just does not know what it is in for there. I think that a round figure of \$4 billion would not be out of the ballpark for the total liability of WorkCover in this state. If you look at the state's unfunded superannuation liabilities, you will see that we are talking billions and billions of dollars. South Australia is in a very precarious financial state.

I am no economist but I do know that if your income and expenditure are out of balance, if you cannot pay your debts or your loans, then you are in real strife. We have seen it before in this state and we are now seeing it federally; there is a big splash of cash, with the Rudd government spending like a drunken sailor. I have to wonder when it will end.

We hear so much about the AAA credit rating, a very important badge of honour for the Premier over there. We know who lost it, and we know that there is criticism about how it was regained by this state. There is a lot of criticism about how the electricity assets in South Australia were leased out—sold, some people say—but it is on the record, the Auditor-General has said, that if it were not for the fact that those assets were sold or leased out (or whatever they want to call it), we would still not be anywhere near recovering that AAA credit rating. It was a hard decision made by the former Liberal government and it was an unpopular one, but it was the right decision. It was the right decision because even today, in *The Sydney Morning Herald*, the former premier of New South Wales, Morris Iemma, talks about how the New South Wales government should have sold off its electricity assets—its retailers, producers and its power stations.

However, in New South Wales the unions took hold and made sure that the electricity assets in that state were not sold off—and now their value will decrease. In the same way, when we were discussing selling the assets here, it was held up by a number of people in the upper house and those assets lost value. We could have received a lot more for them than we did but, when the decision was finally made to sell those electricity assets, the money that came in took

billions off the debt that had been created by the State Bank, as well as addressing other mismanagement that went on in the early 90s. That money helped to get the AAA credit rating back, but even today the Labor government still gives us a hard time about selling ETSA.

Just look over the border to New South Wales and see what is happening there; see what the Carr government and the Lemmonia government tried to do. Their ideologies (and I am not so sure they were real ideologies; it was political game playing) got in the way, and it has created a financial mess. If you want to see a financial mess then look no further than New South Wales; it is in an absolute mess.

The need to manage this state's economy is no more crucial than now. We hear so much about the global financial crisis; it is on everyone's lips, and every time you open the paper there is another issue. It is doom and gloom all the time. Sure, a lot of that is a state of mind; a very wealthy businessman, who used to be a client of mine, said to me that recessions and depressions are a state of mind. To a great extent they are, but the greatest motivators in life are fear and greed; it is certainly greed that got us into the position we are in now, and fear is beginning to take over.

It is a terrible position to be in, both around the world and in Australia, and having to have all these fiscal stimulus packages that the Rudd government believes will solve our problems. Personally, I do not believe they will; I am not an economist but I see this money going out there, all this debt being created, and I wonder who will pay it back and at what interest rate. We all remember how much the Belgian dentists were pulling out of this state and the enormous interest rates when we ran up debts on money borrowed from overseas, as this government is doing now. Whether it is China or other investors, it is an atrocious position to be in.

I was shown a documentary recently on YouTube called *'Money is debt'*, and I recommend that everyone in this place who is not an accountant have a look at it. It talks about how we used to trade with beads and feathers and valuable trinkets, and how we then started trading with gold and silver. For quite a while money was as good as gold, but (and I think it was in the late 1920s or early 1930s) that relationship between a \$1 note and one dollar's worth of gold was broken. It then went to a \$1 note and a dollar's worth of silver, but I think that was broken after the Second World War. Now it is really an IOU; we have a \$1 note that is an IOU. If we look at money as debt, we will see that all we have now is a system of tokens, whether they are tokens in our wallets or tokens printed on a computer screen. They are really tokens that represent the amount of debt circulating in the economy.

Last week in the US, it was said that, if all the printed money and all the coins were gathered in the US, it would add up to about \$300 billion—not very much when you consider that the total money that is supposed to be in circulation is in the trillions of dollars. So, where is that money? It is not as good as gold any more. It is debt and, unfortunately, the world is sinking deeper and deeper into debt with so-called fiscal stimulus packages. I just hope that people much wiser than me—and obviously there are, because I do not claim to understand this at all—will be able to give us some indication of when this will all end and when the debt will be reduced.

I hope that there is some relief for homeowners with interest rates being reduced by the Reserve Bank. That certainly will help. I am very concerned about the relationship that will be created between banks and borrowers who are paying off mortgages if they take a payment holiday. What is not being emphasised is the fact that their interest is going to be capitalised, so that, in the end, they will end up owing more to the bank, putting them deeper in debt. So, if you do lose your job and if you are unfortunate enough to be in a situation where you have to sell your house, you will be further in debt.

I am very concerned about some of the directions we are taking. I do not claim to understand them. I wish someone could explain them to me. I am just a humble veterinarian. I just wish that people could know, because I have been in debt—I have been seriously in debt. I remember when we used to pay 17 per cent on our mortgage and 23 per cent on the overdraft. I do not wish anybody—my children, your children or anybody's children—to be in that position. It is a terrible position to be in.

I refer the house to a paper that was put together by the Public Service Association a few years ago that talks about financial management and credit ratings. It talks about the role of credit rating agencies. The paper states:

During the 1980s and 1990s, the judgments made by credit rating agencies came to be seen as crucial in evaluating the performance of Australian governments.

If you listen to this Premier and to a lot of people out there, having a AAA credit rating is the be all and end all—and it may be.

The member for Goyder has just talked about some of the issues he sees associated with the downgrading of our credit rating, and I think we are right on the tip of that. I know that Standard & Poor's warned the government over 12 months ago—I think about April last year—that the then \$846 million unfunded WorkCover liability was a very worrying issue for them. Now it is at \$3.1 billion. If we look at the total liability of WorkCover, including provisional liability, we are talking about \$4 billion. We cannot sell 333 Collins Street, we cannot sell Scrimber and we cannot do all the other things that we did then to help reduce the debt and get us back into a better funded position. The returns from investments held by many agencies—including WorkCover—are unfortunately still decreasing, and I just wonder when it will all end. The Public Service Association paper further states:

Although credit ratings are indeed seen by some commentators as an indicator of the financial management credentials of the government, the perception is baseless. It is quite possible for a government to adopt very poor financial and economic policies, while maintaining a strong credit rating.

That is exactly what we have here. This is a government that has had rivers of gold running for the past seven years. Revenue has not been the problem. Revenue has not been a problem for the government. It has had more money than it could ever have wished for. The government's problem is expenditure: it just has not been able to control the household budget and certainly the state budget. It just has not been able to control that. So, the point made here, that it is very possible for a government to adopt very poor financial and economic policies while maintaining a strong credit rating, is perfectly correct.

The only real effect of change of credit rating arises through the impact of the cost of debt.

That was said by the member for Goyder: a very valid point.

The Public Service Association paper continues—and this is something that I find quite interesting, particularly in light of the recent global financial crisis, because this was stated back in 2002:

...the track record of rating agencies in predicting defaults by private corporations is not particularly good...

'Not particularly good'—I think that is a complete understatement. In 2002 it stated:

Moody's Investors Service, Standard & Poor's and Fitch Ratings maintained high ratings for Enron while its stocks plummeted until four days before it filed for bankruptcy on 2 December.

It also points out here that there were other examples of default on securities that were rated as AAA. The most recent example given here was in November 2002, with the collapse of a health service lender, National Century Financial Enterprises. Moody's Investors Service rated National Century as AAA until only days before it filed for bankruptcy. Similarly, in Australia in the 1980s we all remember that the ratings agencies and other financial markets did little to warn Australians of the dangers associated with these so-called entrepreneurs (the white-shoe brigade of the day) such as Bond, Skase and Spalvins whose activities were largely financed by debt.

That word 'debt' keeps coming up all the time. It is a real worry for me, it is a real worry for the mums and dads out there, and it is a real worry for people in all positions of power because we do not know when it is going to end. Greed has created it to a large degree but now fear is taking over. The Public Service paper finishes by stating that 'the natural focus of rating agencies is not on net worth, but on net debt'. The debt that this state government is getting the state into—we have been there before and we are seeing it all again—means that we are going to end up with an absolute mess. This time next year, when the Liberal Party is in government, it is a mess we are going to have to contend with and it is, once again, going to be a massive problem for each and every South Australian taxpayer.

Let us have a look at the Mid-Year Budget Review. As I said before, this government has not had a problem with revenue, it has been a problem with expenses. We have seen a blow-out in everything this government has touched. Every project this government has touched has blown out, whether it is shared services, whether it is building an underpass, whether it is building a bridge, whether it is looking at any project at all. It just does not seem to be able to manage these projects the way that one would expect them to and the way that South Australian taxpayers deserve. We have seen not a revenue problem but an expenses problem.

We see from the Mid-Year Budget Review that revenues improved in the seven months to the June budget but expenses continue to spiral. It has not been completely due to the global

financial crisis although there are some issues that the government is having to cope with now, that everybody is having to cope with now. However, it is not brand new; it has been going on for seven years. It is a situation that has been created by the government and it is an opportunity wasted.

South Australia now carries the second-worst budget deficit in the nation with only New South Wales being worse off. New South Wales is an absolute basket case. If it had done what the Carr government wanted to do and what the Lemmon government wanted to do—that is, to sell their electricity assets—that would have gone a long way to having eased that state's problems. But, no, just as the Labor government in South Australia was hell-bent on at the time and just as the union leaders and some of the power brokers thought they knew better, look what we ended up with: a massive state debt which, fortunately, the former Liberal government managed to bring back from the brink of bankruptcy. We got the AAA credit rating back and now it is all in jeopardy again.

The outlook for South Australia in the Mid-Year Budget Review is that it is now in deficit on all three measurements: all three are in deficit. In 2002 Labor stated that net lending/borrowing was the measure it would use for budgets. Unfortunately, because this measure subsequently slumped into deficit, the government discarded it and now uses the net operating balance measure. I understand that is not the one used by the federal government and it is not the one used by many other governments but it was the only one of the three that showed this government being in surplus. The other two were in deficit and now all three accounting measures—net lending deficit of \$819 million, a cash deficit of \$801 million, and a net operating deficit of \$112 million—are in deficit and looking to get worse and worse.

The only white knight on the horizon for this government is the Rudd federal government, which I hope does not go down the same path as the Obama regime and the Brown regime in England, that is, indulge in quantitative easing, which is a very nice way of saying 'printing money; if you are printing more IOUs, they become worth less and less. My understanding is that, if we keep going down that path, we will have Zimbabwe dollars next, with hyper-inflation that will lead to massive interest rate rises, and the situation will become worse and worse.

As I have said, the only white knight is the Rudd government coming in and splashing cash around and bailing out this government. Certainly, I know the transport minister is holding his breath and hoping that his mate, Mr Albanese, the federal transport minister, will come up with some money to fund the transport minister's unfunded transport wish list. Personally, I, too, hope he comes up with the money, because it will make it much easier for me to make sure that our transport policies are realised because, if the money is there, we can then spend it. However, if the money is not there, what do you do? You would have some real issues, and some real priorities would have to be worked out. It will be an interesting and difficult position to be in, and I know that this state Labor government has no answers at present, other than to look to its big brother—Big Kev—in Canberra.

Also being bailed out by Mr Rudd are the health, education, housing and community areas. We are seeing 1,500 community homes being built, and I understand that 400 of these have already been included in the state budget, and things are being put in place to get them under way. The Rudd money coming in was to be for new things to stimulate the economy; it was not supposed to be for existing projects. However, the 400 homes were already on the books and were due to be started. So, another bail-out there. I really hope that the transport funding does come up, but I question the government's ability to deliver, even if that money ends up in the government's till.

There are many things I could say about the mismanagement and lost opportunities, including the situation involving the AAA rating. It just goes on and on. There are so many issues I could talk about where this government has failed, and I will continue to do so in my 10 minute grievance speech, when I will talk about some local issues in my electorate and some of my neighbouring electorates. However, I will leave it now to our leader to explain the true financial position in terms that I think even the Treasurer and the Premier will understand.

**Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (12:23):** I rise as leader and as shadow treasurer and as first speaker to comment on the budget position in which the government finds itself. This Supply Bill comes to us after seven of the best years this state has ever seen but, regrettably, there is little to show for it.

The government has, during seven of the best years this state has ever seen, run the state into the ground. The government has hardly built a thing. It has cut a couple of ribbons, such as the

Bakewell Bridge, and now we will see whether, hopefully, the Anzac Highway underpass along South Road is fully completed before the election. Other than that, the government has done very little. It is a familiar story, and it is one that ended the last time Labor was in office with the State Bank collapse, with an \$11.6 billion debt and a current account deficit of around \$300 million per year. Clearly, we are now heading in the same direction.

The Rann government's Mid-Year Budget Review reveals that the government has an expenditure, not a revenue, problem. Despite claims made by the Treasurer that his biggest problem is declining revenues caused by the global financial crisis, the numbers tell a different story. Revenues have improved in the seven months since the June budget, but expenses continue to spiral out of control, a point noted by the Auditor-General in successive reports. Poor financial discipline and poor management by government have landed South Australia in a financial pickle.

As a result, the government has embarked on a set of strategies that makes little economic sense, including: selling off buildings that it occupies and renting them back; selling 600 government employee houses at a low point in the housing market; reducing incentives for teachers, police, doctors and nurses to work in regional South Australia; and selling buildings that it does not even own, apparently, until that was pointed out by the opposition.

**Mrs Redmond:** The Treasurer has apologised for that.

**Mr HAMILTON-SMITH:** I note that the Treasurer has apologised but, in a sense, that issue says it all. How can a treasurer bring to the public a proposal to sell a building that he does not own? How can that be put forward by Treasury to the Treasurer? How can a treasurer then advance with that proposal to cabinet? How can cabinet then sign off on and agree to that proposal? How can that proposal then find its way into government policy and media releases, and then be supported under questioning by the opposition in the house, and be repeated again and again? It was a classic 'gotcha', and the underlying message it sends is: if you cannot trust the government and the Treasurer not to sell buildings that they do not own, how can you trust anything in their budget papers?

This same treasurer has deferred infrastructure that has a community value, such as new prisons, in a desperate effort to get his books back into budget. Anyone who has been in business—and I know there are very few of them on the government benches—will know that, in the good times, it is all about keeping your expenses under control and optimising your revenues, so that you can build the business for the future.

That is where the government has failed. It set out on a course seven years ago to tax and spend and to make hay while the sun was shining but without any sense that there would ultimately be an inevitable downturn that would leave it caught short. This government is continuing with infrastructure that has little or no economic benefit, such as the \$162 million tram extension to the Entertainment Centre, while the River Murray and our water infrastructure are in crisis, while our health system urgently needs reinforcement and our teachers, in particular, are struggling for appropriate remuneration.

The Treasurer's statement is also strangely silent on the future of public-private partnership funding models at a time when financial analysts predict that future PPPs will require governments to carry ever more of the project risk, yet this government's budget depends upon such projects, supportable though they may be where there is a revenue stream, questionable as they most definitely are when there is no revenue stream and they must be sustained from a health budget, an education budget or a non-profit bearing source of revenue.

South Australia now carries the second worst budget deficit in the nation. New South Wales is the worst. New South Wales is a basket case and, clearly, this state government is heading in the same direction. By the end of its eight years in power, the Rann government will have built nothing of substance, will have saved nothing and provided nothing for the future. The symbol of those eight years will be a non-functioning, mini-wind turbine atop the State Administration Centre, which the government no longer owns.

The fiscal position and outlook is bleak. At the time of the Mid-Year Budget Review, there were budget deficits on all three accounting measures: a net lending deficit of \$819 million in 2008-09, a cash deficit of \$801 million in 2008-09, and a net operating deficit of \$112 million in 2008-09. All of these have worsened since the Mid-Year Budget Review.

There is only one group of people who have bankrupted this state: this Treasurer and this Premier—two people not fit to occupy their posts. There is only one type of government that sorts

out Labor's messes and that is Liberal governments. The Treasurer flees out of the chamber. Why don't you sit here for the remainder of the address? You love dishing it out, but you do not like taking it.

**The Hon. A. KOUTSANTONIS:** A point of order, Mr Acting Speaker. It is completely unparliamentary to reflect on members leaving the chamber.

**The ACTING SPEAKER (Mr Piccolo):** The leader will resume.

**Mr HAMILTON-SMITH:** I am glad to see that the member for West Torrens is now the champion of parliamentary standards. We will all be able to sleep safer at night in the knowledge—

**The ACTING SPEAKER:** Does the leader wish to continue on the Supply Bill or does he wish to take his seat?

**Mr HAMILTON-SMITH:** Thank you, Mr Acting Speaker. I just make the point that, if government members want to dish it out, we are more than happy. Nowadays, if you have a swing, we will come back with two arms. We are very much looking forward to the newly appointed minister's distinguished forthcoming performances.

In 2002, Labor stated that net lending/borrowing was the measure it would use for budget results. However, because this measure subsequently slumped into deficit, the government discarded it and now uses the net operating balance measure, an easier measure through which to run a surplus, but this too has now plunged into deficit. To which accounting measure will it now turn?

The 2008-09 Mid-Year Budget Review revealed that state revenues actually improved by \$180 million since the 2008-09 budget handed down on 5 June, a point missed by many commentators, but expenses blew out by a massive \$453 million. This government has an expenses problem, not so much a revenue problem.

The Rudd Labor government is covering the Rann Labor government's expenses blow-out. The state will receive a massive \$429 million more from Mr Rudd in 2008-09 in health, education, housing and community service payments than it anticipated receiving in the 2008-09 budget. Since the 2008-09 budget state taxes are down by \$48 million and GST grants have slumped.

The unfunded superannuation liability has blown out from \$5.1 billion in 2006-07 to \$9.3 billion in 2008-09. These blow-outs are driving the state's financial liabilities to levels which may jeopardise our AAA credit rating. But, no need to worry, along comes Mr Rudd, with that massive surplus built up by former Liberal governments, ready to bail out the states, as he has done.

This government has an expenses problem, not so much a revenue problem. I do not hear it talking about the windfall revenues it got from the GST during the good years. All that has vanished in this so-called collapse of GST revenues is the windfall surplus it had been receiving. This government has an expenses problem. It has trouble tracking its own budget forecasts. The Rann government is not as insulated from the financial market crisis as it would have had us believe when we first asked questions on this subject. For six budgets it has been running miniscule surpluses as a percentage of revenue. It certainly budgeted to run miniscule surpluses. Some of them exceeded its wildest expectations.

Where did the money go? It vanished. It vanished into trams. It vanished into bungled infrastructure projects. It vanished into a bloated and inefficient Public Service. Now revenue has grown more slowly than forecast, causing the state budget to plunge into deficit. The government is also being forced to scale back capital projects to substantially reduce debt in an attempt to keep its AAA credit rating.

A few weeks ago I visited Standard and Poor's with one of my advisers and a couple of my colleagues. It was amazing. I asked them what they relied on to make their ratings, and they said, 'The information the government provides us.' After I picked myself up and put myself back in my chair I said, 'Well, do you read the Auditor-General's Report?' They said, 'No.' I said, 'Well, I think we'll start sending you a copy, because I wouldn't rely on anything this government tells me if I was Standard and Poor's.' Clearly, based on recent pronouncements from Standard and Poor's, there is a review going on and the warning bells are already ringing.

**The Hon. A. Koutsantonis:** You want our rating to go down?



**Mr HAMILTON-SMITH:** No, I do not want our rating to go down. We worked laboriously when we were in government to get it back. It took eight years to sort out the mess, chaos and confusion of Labor, and just when we had done that work you inherited back the AAA rating, thanks, as was pointed out at the time, to tough decisions we made to fix up your mess. Now, in the space of seven of the best years we have ever seen, you have stuffed it up already. Here Labor goes again!

Returns on the government's invested assets under management are of concern. Funds SA, WorkCover and the Motor Accident Commission are all negative in 2007-08 as a result of exposure to declining international and domestic equity markets. In 2007-08, Funds SA incorporated the Motor Accident Commission's funds under management as well as a couple of other funds, which masked their total losses. Since 30 June 2008, notwithstanding revenue into and out of the fund, these funds have decreased significantly. Funds SA's investments of \$14.1 billion have fallen by \$3.7 billion. WorkCover's investments of \$1.3 billion have fallen by \$314 million. These losses total \$4 billion and present a major risk to the state's finances going forward. And, of course, WorkCover, as has been revealed, is simply a basket case.

Let me address the question of our credit rating. South Australia's AAA rating is hanging by a thread. The state's net financial liabilities to revenue ratio is now in the vicinity of 87.3 per cent and forecast to reach 92.1 per cent next year. The Auditor-General's Report (Part C, page 54) states that the net financial liabilities to revenue ratio is not, however, declining towards that of other AAA-rated states as required by the fiscal strategy. That is the Premier's fiscal strategy. On 2 July 2008, Standard & Poor's stated:

If the net financial liabilities to revenue ratio did get up around that 80 per cent mark then we would be having a look at the rating and seriously looking at what else was going on with South Australia's finances. It's that 80 per cent mark that is...a hot button for us.

Well, the government has blown it—not only has it blown it, but it is on its way into the stratosphere. On 14 October 2008, Treasurer Foley himself said:

...the crashing of revenue has blown these ratios up into red light territory.

Well, how true. Interestingly, the Mid-Year Budget Review indicates that it is not the crashing of revenue that is responsible for our tenuously placed credit rating but the Treasurer's unbudgeted expenses. As I said, revenue has actually increased: it is expenses that are out of control with respect to this government. Curiously, Tasmania has an inferior credit rating of AA+ yet South Australia's liabilities ratio is worse than that of Tasmania. It seems that our AAA credit rating is at serious risk and, no doubt, ratings agency Standard & Poor's will carefully monitor the state's position going forward.

Let me turn the attention of the house to the question of revenue. From 2002-03 to 2007-08 the Premier and the Treasurer—incompetently, may I say—underestimated revenue collections every year. It was an embarrassment. One would look at what they said we would be getting in and every year there would be windfall surpluses. If you cannot estimate one's revenues, how can you estimate your expenses? For heaven's sake, if these people were running a business they would all be broke in two seconds.

During this time the government collected a massive \$3.7 billion more than it expected. These revenue windfalls—actual receipts above budgeted receipts—are masking unbudgeted increases in expenses, as noted by the Auditor-General. The Auditor-General said:

The state has received very large amounts of unbudgeted revenues.

I have to say that the Auditor-General is a master of understatement: it was in the hundreds and hundreds of millions. And where has it gone? It has vanished down the drainpipe. What do we have to show for it? Nothing. We are now in terrible trouble, we are assured. Despite falls in GST revenue—

**The Hon. G.M. Gunn:** It won't take long.

**Mr HAMILTON-SMITH:** My good friend and colleague the member for Stuart said, 'It won't take long.' He was here to see it all. He had to sit through the agony of the State Bank. He has had to sit through the agony of seeing Labor governments bankrupt South Australia for over 30 years now—it might be 40 or 50 years, Gunnie; I am not quite sure. However, it was a very long time, and the poor fellow now has to sit here and watch history repeat itself yet again. Despite falls in GST revenue, South Australia has continued to receive unbudgeted revenues, as I have said, since the 2008-09 budget—this time, grants from guess who? The Milky Bar Kid—Kevin 07. The

Rudd Labor government is throwing money at the state government like there is no tomorrow, using the surpluses accrued by the good and sound management of the Liberals in Canberra.

Let me give members a further elucidation of these figures and look at changes in selected revenue categories in the 2008-09 budget. As shadow treasurer, you always have a copy of the budget papers beside your bed with a lamp and a pair of glasses. If you are like me, you wake up in the morning thinking, 'I can't sleep. I'll read the budget papers.' So there I am every second night going through the relevant pages, and I saw this the other night. If you look carefully at the commonwealth grants, you will see that in 2008-09 Mr Rann and Mr Foley will receive a big fat cheque for \$429 million from the Milky Bar Kid. In 2009-10 it will be \$197 million; in 2010-11 it will be \$77 million; and in 2011-12 it will be up to \$220 million. It is nearly \$1 billion, and that is just extra money. 'Here, take this, and off you go. Go out and have fun. Spend it!' However, if you look at the expenses it tells quite an alarming story.

Let me get back to revenue. Do you know all those tax cuts we have been told about? It is actually going up—revenue is going up each year, a stunning \$119 million over the estimates period. Land tax is going up, despite the downturn. Yes, there are some forecast declines for GST revenue, taking away that cream, that unbudgeted extra that we have been receiving, but it will be more than compensated for by the cash handouts from Canberra. This government does not have a revenue problem; it has an expenses problem.

In regard to state taxes, an alarming story is unfolding. In the Mid-Year Budget Review, total state taxation revenue was \$48 million lower than at the 2008-09 state budget. Notwithstanding this downturn, tax revenue is forecast to increase by 63 per cent from 2001-02 to 2008-09, as demonstrated by figures that the opposition has been constantly putting out for the people of South Australia to peruse. Payroll taxes, since this government came to office, are up 52 per cent; taxes on property overall are up 104 per cent; some categories of land tax are up 267 per cent; taxes on gambling are up 29 per cent; taxes on insurance are up 43 per cent; and motor vehicle taxes are up 35 per cent. This government is taxing South Australians into oblivion.

The severity of its tax regime in comparison to other states is confirmed by independent sources—it is not just us saying this. The Commonwealth Grants Commission has indicated that South Australia has levied its tax revenue basis more severely than any other state or territory during 2007-08. Labor's crowning achievement—the legacy it will leave when it is sent off into opposition, hopefully, by the good people of this state on 20 March 2010—is that it delivered the highest taxing regime of any state in the commonwealth. South Australians have been the most severely taxed each year under Rann Labor. In 2001-02 we saw the last year that South Australia was not the most severely taxing state—that was the last year of the previous state Liberal government.

The figures that I have drawn from the budget papers say it all. I have ratios that compare the actual revenue collections of each state to revenue each state would have collected if it had applied the taxation policies of the average state. Ratios above 100 mean a state taxed more severely than the average state, and ratios below 100 mean the opposite. When you look at the figures provided by the Commonwealth Grants Commission, we come in at 111.78 per cent. Queensland is well under the average at 85 per cent, and Tasmania is well under the average at 92 per cent. We are the highest taxing state in the commonwealth, and I commend to the house the tables provided by the Commonwealth Grants Commission in its report on the relative fiscal capacities of the states. I am happy to make them available to any member who wants to peruse them.

The South Australian government has been judged by the Commonwealth Grants Commission to have levied land tax more severely than the national average by 126 per cent, levied stamp duty more severely by 22 per cent and levied overall taxes more severely than the national average by nearly 12 per cent. In fact, South Australia taxed more severely than the national average in six out of the nine Commonwealth Grants Commission tax assessment categories.

I will talk for a moment about payroll tax under this government. If you are a business operating in Queensland, with a payroll of up to \$1 million, you pay, guess what? You pay zip, nothing in payroll tax! If you are a business in Tasmania you pay zip, nothing in payroll tax. If you are a business in Western Australia you only have to pay \$13,750 in payroll tax, but if you are in South Australia it is \$22,400. It is absolutely striking. We have the lowest payroll tax threshold in the country and one of the worst payroll tax regimes in the nation. Despite all the huff and puff about improvements, they have been improvements from a very low base.

I was at an earthmoving small business the other day and was told that three out of every four items of plant on the Northern Expressway project, for which we are paying, are from interstate. Companies in Victoria, Western Australia, Queensland and New South Wales are coming over here and bumping off South Australian businesses for work on our major projects. Why would they not? They are paying less payroll tax and less land tax and have lower WorkCover levies. Their costs of doing business are significantly less than for South Australian companies. There is free trade between the states—why not come over and bump off South Australian companies in their own backyard? That is what is happening under state Labor. We do not oppose interstate trade, we do business interstate also, but the costs of doing business here—thanks to this government—for small business are painfully more difficult than in other states. Payroll tax is a good example.

Presently only 14 per cent of home buyers in South Australia are first home buyers—the lowest proportion of all the states—whereas seven years ago 21 per cent of home buyers were first home buyers. That brings me to the question of stamp duties. I wonder if members know how much stamp duty a struggling young couple, a low income person or a homeless person, who suddenly finds themselves in a position to purchase, will be required to pay on a \$300,000 purchase. If you are buying in Queensland you will pay \$3,000, but if you are buying in South Australia hand over \$11,330. We are the worst of all the states, bar Victoria, which is around the same as us. If you go up further in value of the home, the figure gets worse.

South Australia has the most punitive land tax regime of all states as well. This hinders our interstate competitiveness for prospective migrants and businesses. Land tax revenue has increased by a massive 265 per cent under this Labor government. Congratulations! That is something you can say is a legacy to remember them by.

**Mr Pisoni:** Rann gets results.

**Mr HAMILTON-SMITH:** Rann certainly gets results and there they are for all to see. Guess how much land tax one pays on an investment property or business premises valued at \$500,000 in Queensland? You pay zip, zero! Here one pays \$1,700. If it is a \$1 million property, which if you are a small business is not very much, you are paying \$11,400 in South Australia. That same business in Western Australia would be paying \$700. This is the crowning glory, the crowning achievement of Rann Labor!

*The Hon. M.J. Atkinson interjecting:*

**Mr PENGILLY:** On a point of order, sir, the Attorney-General is making audible remarks while not in his seat.

**Mr HAMILTON-SMITH:** You know, Mr Acting Speaker, they say, 'Well, gee, land tax has gone up. Well, gee, no; what on earth would we cut if we did anything about land tax?' By their own statements they reveal their fatal flaw. As they have swallowed the tax, they have let out their belt. As they have swallowed and gobbled down money out of people's pockets, they have just gotten fatter and fatter. They have spent it all. So, they sit around and say, 'Gee, our expenses are out of control. We've spent it all and, by golly by gosh, how do we do something about this?' All the same things they were saying when they delivered the State Bank mess, that \$11.5 billion of debt and the \$300 million deficit per annum—all of that. People are delighted with your land tax regime.

Let me talk about GST revenues. The state government has reneged on its promise to abolish the agreed state taxes in exchange for GST revenue. It will continue to levy two taxes on business transfers for an extra three years to prop up its coffers. In doing so, it will get an extra \$142 million from long suffering businesses. This authorisation from the Rudd Labor government makes the Rann Labor government's coffers appear substantially better than they would otherwise. This is a new tax and a broken promise.

The Treasurer said on 30 November, 'I do rule out new taxes.' Let us see. Although GST revenues have been revised down, the commonwealth grants have been massively revised, as I said earlier, by \$423 million in 2008-09 and almost \$1 billion over the four years to cover the shortfall. Since the 2008-09 state budget, the government has revised down its 2008-09 GST revenue collections to a total of \$1.55 billion over the forward estimates, but the Treasurer will still receive more GST revenue over the forward estimates than he budgeted for in those years when he was elected in 2006-07. Importantly, the actual GST revenues to the states relative to the pre GST arrangements have by far exceeded expectations back when the GST was introduced. The states are receiving far more revenue than they ever expected or dreamt of.

Let me turn the house's attention to SA Water. Total dividends and payments to the South Australian government from SA Water are budgeted to be \$273 million in 2008-09. Since 2002-03, the total stripped from SA Water customers is \$2 billion. Almost a third of everyone's water bill is going in general revenue and taxation into this government—

**Mr Pengilly:** Where's it gone?

**Mr HAMILTON-SMITH:** It has gone into trams; it has gone into a big fat Public Service; it has gone into overgrown and overrun budgets for major projects; it has gone into fat cats; and it has gone into consultants. It has gone into all the things which they whinged about when they were in opposition and in which they have now become exponents. Little has been made available from this water revenue for infrastructure spending. By 2010, Mr Rann will have taken around \$2.5 billion from the water bills of South Australians, but, according to the Treasurer, those record SA Water contributions are not enough to fund the proposed desalination plant, which, by the way, was a Liberal idea—and one of many that they have grabbed in an absence of ideas of their own.

Expenses control has been dismal for seven years. I just repeat to the house: revenue is not a problem for this government. Keeping their expenses in control is the issue. No sooner does the money come in than it goes out the door. Here is what the Auditor-General said in 2007-08:

The state may have developed a culture of expecting growing revenues to continue to support increasing revenues.

I love the understatement of the Auditor-General. Certainly, he has been proved to be correct. The government has spent its windfall revenues on unbudgeted items—

*The Hon. M.J. Atkinson interjecting:*

**Mr HAMILTON-SMITH:** The Attorney-General says, with all the arrogance of a buffoon, 'Why don't the people judge us harshly?' I put to the Attorney, they may well do.

**The Hon. M.J. ATKINSON:** I rise on a point of order, sir. The Leader of the Opposition has flagrantly misrepresented what I said to the house—within 30 seconds of my saying it.

*Members interjecting:*

**The ACTING SPEAKER (Mr Piccolo):** Order! The leader will take his seat.

*Mrs Redmond interjecting:*

**The ACTING SPEAKER:** The member for Heysen will also take her seat; I do not need your advice, thank you.

**Mrs Redmond:** You probably do.

**The ACTING SPEAKER:** No, I do not. I can assure the honourable member I do not. There is no point of order. The leader will resume.

**Mr HAMILTON-SMITH:** For God's sake! Thank you very much, Mr Acting Speaker. If the Attorney-General wants to make a contribution to the debate, he can do so. I have talked of public-private partnerships. The Auditor—

*The Hon. M.J. Atkinson interjecting:*

**Mr HAMILTON-SMITH:** Perhaps the Attorney can get up and talk about stashed cash, perhaps he can get up and talk about financial management within the Attorney-General's department, and perhaps he can get up and talk about the Ashbourne corruption scandal. We would love to hear more. We would love to hear all that the Attorney has to say.

I talked about public-private partnerships. The Auditor-General recognised that the effects of the global equity market uncertainty mean that the cost of private borrowing has changed. I say to the government that these public-private partnerships on which it is engaged offer significant risk.

Public sector wage blow-outs have been well reported publicly. Full-time employment numbers have increased by 14,842 at least (probably more), raising questions about whether or not greater efficiency should have been maintained during the past seven or eight years. It is very hard to turn back the clock but, sooner or later, the government will have to stop that uncontrolled growth. Of course, there are slush and contingency funds and unallocated amounts of money that the Treasurer has tucked away. The Auditor-General revealed that the Treasurer has such contingency funding totalling \$335 million (at least in his 2008-09 report), most of it probably gone.

Of course, we have had the shared services farrago, and we have had a consistent track record of a government failing to meet its savings targets, a point that has been consistently referred to by the Auditor-General. Labor's track record on debt is something to be watched. It is a shameful record, one which is increasingly heading north.

Unfunded superannuation liabilities now exceeding \$9.3 billion are well above those which the government inherited and consistently heading north to stratospheric levels. All these unfunded liabilities of the government—superannuation, WorkCover (reported in the last few weeks at \$1.3 billion, not counting the government's own scheme of around \$400 million, at least, bringing the figure to \$1.7 billion)—combined with its debt are cause for concern for all South Australians.

We have a government that, for seven of the eight years it has been in office, has squandered a great opportunity. It is an honour to serve the people of South Australia. You are here for a short time. When you are elected to govern you are elected to get things done. This government in 2002 could have chosen to manage its financial affairs efficiently, knowing that surpluses delivered by the former Liberal government would be coming in in subsequent years. It could have used those surpluses to bring about structural reform. It could have given us tax reform. It could have built infrastructure. It could have reformed the way in which government operates. It could have made significant reforms to planning much sooner. It could have made other significant structural changes to the way in which South Australia and its economy functions.

Instead, it wasted those seven years taxing and spending with no apparent theme or overarching strategy to that spending framework. Now, we have the downturn, and this great opportunity of the last seven years has thus been wasted. This could have been a period that recast South Australia and set this state up for a prosperous future which would have fireproofed us from the downturn. Instead, that opportunity was lost. The government left itself exposed. It has little room to move now other than to hope and pray that money will continue to fall out of the sky over Canberra.

This government's legacy will be its failure to shape properly a future for this state during seven of the best years that this government and this state have ever seen. It has not done much but it has ruined the state economy.

Debate adjourned.

*[Sitting suspended from 13:00 to 14:00]*

#### **CHILD SEX OFFENDERS REGISTRATION (REGISTRATION OF INTERNET ACTIVITIES) AMENDMENT BILL**

His Excellency the Governor assented to the bill.

#### **STATUTES AMENDMENT (PROHIBITION OF HUMAN CLONING FOR REPRODUCTION AND REGULATION OF RESEARCH INVOLVING HUMAN EMBRYOS) BILL**

His Excellency the Governor assented to the bill.

#### **PUBLIC TRANSPORT**

**Dr McFETRIDGE (Morphett):** Presented a petition signed by 279 residents of South Australia requesting the house to urge the government to consult with the public in order to urgently resolve the ongoing and daily problems with the South Australian public transport system.

#### **PEACHEY ROAD SCHOOL**

**The Hon. M.F. O'BRIEN (Napier—Minister for Employment, Training and Further Education, Minister for Science and Information Economy):** Presented a petition signed by 32 residents of the northern suburbs and greater South Australia requesting the house to urge the government to reconsider plans for the construction of the proposed year 7 school on Peachey Road, Smithfield Plains.

### **ANSWERS TO QUESTIONS**

**The SPEAKER:** I direct that the following written answers to questions be distributed and printed in *Hansard*.

**MOUNT BOLD RESERVOIR**

**54 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (30 September 2008). Who undertook the cost estimates, as stated in the Premier's press release of 5 June 2007, that the proposed new dam infrastructure for the Mt Bold Reservoir would cost in excess of \$850 million?

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):** The full text of the Premier's press release of 5 June 2007 referring to the possible costs of increasing the storage capacity of the Mt Bold Reservoir is:

'While it is still too early to put an estimated cost on what it would take to increase the size of Mt Bold ahead of further engineering and environmental studies that need to be undertaken, the scoping study has indicated it could cost in excess of \$850 million and take between seven to 10 years to complete.'

SA Water undertook the scoping study estimate that indicated it could cost in excess of \$850 million to increase the capacity of Mt Bold Reservoir. The Premier clearly indicated that was not a firm estimate.

**SUPPLIES AND SERVICES**

**58 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (30 September 2008). What are the reasons for the \$43.5 million departmental under-spend in the contingency provision for Supplies and Services in 2006-07?

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):** The State Budget includes contingency provisions to help manage financial risks that may or may not arise during a given financial year.

The below budget outcome is primarily because some provisions, for example contingencies, will not result in expenditure because relevant new policy measures are explicitly presented in the Budget as agency expenditure.

**PORT ADELAIDE MARITIME CORPORATION**

**60 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (30 September 2008). What conditions have been placed on the Port Adelaide Maritime Corporation by the government for the \$155.6 million of capital contributions to fund the construction of the Common User Facility, MSC, Precinct development and the AWD Systems Centre?

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):** I am advised that no additional conditions beyond the standard terms contained in the Public Finance and Audit Act have been placed on Defence SA for the \$155.6 million of capital contributions.

**ADELAIDE PARKLANDS GRANT**

**69 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (30 September 2008). With respect to 2007-08 Budget Paper 3—page 3.18, what will the \$1.24 million Adelaide City Parklands grant be used for?

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):** There is no reference in 2007-08 Budget Paper 3—page 3.18 to any grant that the government may provide to the Adelaide City Council.

**PUBLIC SECTOR FUNDS MANAGEMENT**

**70 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (30 September 2008). What is the current status of the implementation of the framework for a centralised funds management model for the South Australian public sector?

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):** I am advised that a review of funds management arrangements within the South Australian public sector has been undertaken.

The review recommended centralising public sector funds management in South Australia.

Legislation to establish a centralised funds management framework for the South Australian public sector has been drafted and circulated to relevant stakeholders for comment.

In the interim, with the changes to Funds SA's legislation in 2005 allowing Funds SA to accept funds from non-superannuation public sector agencies, such agencies with funds management requirements are being encouraged to use Funds SA as their investment manager.

Any centralised model would use the current infrastructure of Funds SA as its base.

#### **OLYMPIC DAM TASK FORCE**

**82 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (30 September 2008). How many departmental FTEs will be working on the Olympic Dam Taskforce in 2008-09, and how many from other parts of the department and across government, will be working to facilitate BHP's proposed Olympic Dam expansion?

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):** The Department of Trade and Economic Development has provided the following information:

The Olympic Dam Task Force, established in October 2007, now comprises 7 FTE positions.

Its facilitation role requires extensive involvement of agencies across government.

To achieve that, each Chief Executive has nominated key officers for the expansion project. There are 24 key officers from across government who meet with the Task Force on a fortnightly basis.

These officers have responsibility for communication between the agency and the Task Force on all aspects of the expansion, and for agency specific projects, policy positions and all other tasks required of the agency.

Each agency provides the necessary staff to undertake the agency specific tasks as necessary.

#### **SHARED SERVICES**

**84 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (30 September 2008). With respect to the 2008-09 budget papers and in particular, the Department of Treasury and Finance administered items account, what are the details of the grant payments to support the transfer of agency long service liabilities relating to administered arrangements associated with the Shared Services initiative?

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):** I have been provided the following information:

As part of the establishment of shared services, agencies are transferring all related assets and liabilities (in particular employee leave liabilities) from their balance sheets to that of Shared Services SA. The cash associated with the liabilities is also being transferred from agencies to ensure that as Shared Services SA is established, it is provided with sufficient working capital to meet its liabilities when they fall due.

The \$30 million reflected in the 2008-09 Budget Papers was a point-in-time estimate of the accumulated long service leave liabilities that might transfer to Shared Services SA during 2008-09. It was established as a source of cash that agencies could access if they did not hold sufficient cash reserves of their own to meet the required transfers to Shared Services SA.

Because this budget line reflects an internal transaction within government, there is no budget impact associated with the establishment or use of the provision. Conversely, there is no benefit to the budget if the provision is not used.

#### **PUBLIC-PRIVATE PARTNERSHIPS**

**85 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (30 September 2008).

1. With respect to the 2008-09 budget papers, what will be the role of the Department of Treasury and Finance in the government's Public Private Partnership projects in 2008-09 and has this differed from 2007-08?

2. What are the titles and classifications of all departmental staff working on these projects?

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):** I have been provided the following information:

1. The Department of Treasury and Finance's role in PPP projects is to ensure that these projects satisfy the objectives described in the State's Partnerships SA Guidelines, which were approved by the Government in September 2002. The guidelines seek to ensure that:

- all proposed projects are subjected to objective and thorough analysis based upon an unbiased evaluation of the costs, benefits and risks to government;
- projects to be delivered by the private sector are assessed on the basis of the private sector's ability to deliver an improvement in the risk-adjusted, whole of life cost of the project compared to conventional procurement methods;
- the private sector is given every opportunity to participate in potential projects supported by a process that is flexible, promotes competition, is transparent to all parties and preserves the highest standards of probity and confidentiality; and
- the private and public sectors enter into mutually beneficial arrangements based upon sound commercial principles, within a framework that promotes trust and respect for the interests of all stakeholders.

DTF's role in PPP projects in 2008-09 has not differed from its role in 2007-08.

2. The titles and classifications of Departmental staff engaged on the PPP and Desalination Plant projects are as follows:

- Executive Director—SAES-2
- Project Director—SAES-1 (4 FTE)
- Senior Solicitor (Crown Solicitor's Office)—LEC05
- Project Manager—ASO08 (3 FTE)
- Senior Project Officer—ASO06
- Senior Project Officer—ASO07
- Project Officer—ASO04
- Business Manager—ASO04
- Business Support Officer—ASO03 (2 FTE).

#### PUBLIC-PRIVATE PARTNERSHIPS

**87 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (30 September 2008). With respect to the 2008-09 budget papers, what are the roles of the additional staff employed as part of the 'PPP project management—operating initiatives' at an estimated cost of \$99,000 in 2007-08?

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):** I have been provided the following information:

The roles of the additional staff employed are:

A Senior Solicitor outposted to the Department of Treasury and Finance (DTF) from the Crown Solicitor's Office to provide dedicated legal advice to Treasury staff working on the PPP projects; and an additional Director (SAES-1) to augment DTF's current staff complement. The amount of \$99,000 reflects the funding provision for these positions for the period 1 April to 30 June 2008.

#### STATE DEBT

**88 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (30 September 2008). With respect to the forecasted \$5.23 billion state debt by 2011-12:



- (a) which agencies and departments have placed this debt;
- (b) is this debt placed directly in the market by each agency or via SAFA;
- (c) who are the lenders; and
- (d) what are the terms of the borrowings, including value, interest rates, and terms to maturity?

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):** I have been provided with the following information:

(a) It is assumed that the \$5.23 billion state debt that the Leader of the opposition is referring to is the estimate for the non-financial public sector net debt at 30 June 2012 (table 5.8).

The debt figure as at 30 June 2012 has not yet been incurred and is only a projection. The net debt of the non-financial public sector is administered by a number of agencies. As net debt is represented by gross debt less financial assets, it is not feasible to produce a list by agency. However, the majority of the net debt is administered by the Treasurer and SA Water.

(b) Except for finance leases, all debt is placed directly in the market by the South Australian Financing Authority (SAFA), which in turn lends the money either directly to agencies or via the Treasurer to the relevant agency.

(c) The majority of the funds are borrowed from wholesale investors both in Australia and offshore.

Such borrowings are undertaken through SAFA's domestic Select Line (fixed interest) and commercial paper programs and if required, through its global debt instrument program. Due to the good funding levels achieved through SAFA's domestic funding program, it has not needed to utilise its offshore funding facility for a number of years.

SAFA also has a retail bond program, however this comprises only a very small component of its overall funding program.

(d) The amount, weighted average interest rates and maturities of the funds raised by SAFA as at 30 June 2008 are detailed in the Notes to the Financial Statements for the year ended 30 June 2008 in its 2007-08 Annual Report, in particular, Note 22.2 Interest Rate Risk and Note 22.3 Maturity Analysis of Financial Instruments.

#### BUDGET PAPERS

**89 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (30 September 2008). With respect to the 2008-09 budget papers, what interest rate assumptions have been used in the papers over the forward estimate years?

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):** I am advised that interest rate assumptions used in the 2008-09 Budget Papers are based on market interest rates applicable to the government's financial assets and financial liabilities at the time of the Budget.

The type and maturity profile of the government's financial assets and financial liabilities guides the individual interest rate assumption.

#### HOUSING TRUST LAND TAX

**90 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (30 September 2008). With respect to the SA Housing Trust's land tax liability—

- (a) why do South Australian public housing authorities pay land tax under the tax equivalent regime and then have this liability reimbursed for no net budget gain;
- (b) why is South Australia the only Australian jurisdiction where public housing authorities pay land tax; and
- (c) how much government money is spent annually on processing public housing land tax payments?

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):** I am advised the following information:

(a) In accordance with provisions in the Commonwealth's Competition Principles Agreement relating to the tax treatment of government enterprises, commercial government enterprises, including the South Australian Housing Trust (SAHT) in its capacity as a property manager, became liable for the full range of state taxes, including land tax, from 1 July 1997.

The land tax paid by the SAHT does not provide additional revenue to the State as funding is provided to the SAHT to meet its land tax liability.

This arrangement was entered into so as not to breach the funding arrangements under the Commonwealth State Housing Agreement whilst capturing, to the extent possible, the competitive neutrality objectives of tax provisions in the Competition Principles Agreement.

Clause 4(20) of the Commonwealth State Housing Agreement provides as follows:

'The Allowable Uses of funds outlined in subclause 4 (19) do not include meeting those parts of any costs of providing housing assistance that may be attributable to obligations arising from the operation of a Tax Equivalent Regime, where that would involve a net reduction in funds available for housing assistance.'

(b) Other jurisdictions have placed their own interpretation on the scope of the tax provisions in the Competition Principles Agreement as they relate to public housing authorities, having regard to the structure and operation of their authorities. In some States (e.g. New South Wales), public housing authorities are constituted as government departments rather than public enterprises whereas in South Australia, the SAHT operates as and is classified as a public non-financial corporation (PNFC).

(c) It is estimated to cost \$3,000 annually to process the public housing land tax payment.

#### SOLID WASTE LEVY

**92 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (30 September 2008). How much revenue was collected from the Solid Waste Levy in 2007-08 and how much is expected to be collected over the forward estimate years?

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):** I am advised that the total revenue collected from the Solid Waste Levy in 2007-08 was \$23.955 million. The estimates for the forward years are:

- 2008-09—\$23.342 million
- 2009-10—\$23.662 million
- 2010-11—\$23.954 million
- 2011-12—\$24.230 million

Actual receipts will depend on the level of economic activity and the rate of recycling.

#### PENSIONER CONCESSIONS

**94 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (30 September 2008). With respect to the 2008-09 budget papers, what are the details and breakdown of the \$21.7 million allocated to 'Commonwealth specific purpose grants—concessions to pensioners' in 2008-09 and is this paid to an agency and if so which one?

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):** I am advised that from 1 April 1993, the Australian Government abolished the separate fringe benefits income and assets tests which extended the Pensioner Concession Card to all part rate pensioners and certain older long-term allowance recipients. In response to states and territories' concern that an increase in the number of eligible card holders would impact on their state concession programs, the Australian Government agreed to provide an annual payment as compensation for the increased costs of core concessions—utilities, municipal and water rates, public transport and motor vehicle registration. This payment is the 'Commonwealth Specific Purpose Grants—Concessions to pensioners and

others'. Payments are contingent on the States and Territories' confirmation that they continue to provide the agreed core concessions to all pensioners without discrimination.

Payments are distributed according to the proportions agreed between the Commonwealth and the States in 1993 with reference to the distribution of concession cardholders by State and Territory. The 1993 proportions were derived by dividing the 'total funding pool' by the proportion of State funding spent on these concessions in 1993-94 in each State. The total funding pool was established by multiplying the 1993-94 core concessions average value, set by national benchmarks, by the number of part-pensioners. Payments are made quarterly and indexed to the growth in the population of Pension Concession Card holders and an inflation factor, the wage cost index.

The Commonwealth grant is paid to South Australia's Consolidated Account and then the Department for Families and Communities (concessions for utilities, municipal and water rates and public transport) and the Department for Transport,

Energy and Infrastructure (concessions for motor vehicle registration) receive appropriations for concessions through the state budget process.

### ICT STRATEGY

**95 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (30 September 2008). What is the status of the whole of government ICT strategy?

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):** I have been provided the following information:

The South Australian Government's ICT strategy document *Ask Just Once* focuses on the use of technology to transform Government service delivery to citizens, business and the community. The Strategy identifies four priorities to be addressed during the period 2007-12. The current status of the priorities is as follows:

**Channels and Access**—is concerned with simplifying access to Government, creating a single entry point for customers and a single information portal for most frontline public servants. The key initiative for this priority is the development of a 'customer centric' approach to the provision of Government information and services. The approach will bring together a range of across-government, theme-based services, removing the need for customers to navigate multiple Departments to locate the information and services they require. A roadmap for the implementation of the approach has been developed by Gov 3, the United Kingdom based organisation responsible for facilitating similar initiatives in the UK, Hong Kong and Croatia. The first themes under development are 'Transport', 'Ageing', 'Selling to Government' and 'Training'.

**Strengthening the Frontline**—is about increasing the productivity of public servants and reducing the financial and time impacts on citizens and business when interacting with Government. There a number of activities underway or complete including:

- Collaboration with other jurisdictions and tiers of government to develop national strategies and frameworks that will enable better support for national service delivery;
- Drafting of a strategic plan for the management and application of Geographic Information Systems (GIS); and
- Strategic procurement initiatives to minimise ICT infrastructure costs, all ICT procurement contracts undergoing mid-term reviews to identify lessons that can be applied to future procurement projects.

**Shared Services**—is concerned with the establishment of key elements that are necessary for the success of the Shared Services initiative. The following activities have been progressed:

- The ICT Board has endorsed the Australian Government Architecture Reference Models as the basis for the government's ICT architectures, this having strong links to the well-established Federal Enterprise Architecture Framework deployed in the United States.
- A Hosting Facilities Position Paper has been developed to guide the progressive consolidation of government computing installations into fewer sites. This will improve efficiency and business continuity while reducing the government's carbon footprint.

- Three IT firms have been appointed to a preferred hosting services panel, this being the first step in improving the government's approach to ICT hosting services and the provision of data centre capacity.

Agile government—addresses the need to effect structural reform so that the government can achieve its aspirations for better and more cost effective services. The ICT clustering of agencies that serve similar customer needs has been initiated. Active ICT clusters are operating in the Health, Education and Resources/Infrastructure sectors. A paper addressing the government's current and future needs for a skilled ICT workforce has been approved by the ICT Board.

### GOVERNMENT BORROWINGS

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):** I have been provided the following information:

The Consolidated Account is funded from a combination of dividends, taxation, revenues from the Commonwealth and some agency receipts. Payments from the Consolidated Account cover operations of current year and capital spend that will create assets for the future.

Borrowings are required from time to time to fund annual deficiencies in the Consolidated Account. These primarily arise because of the impact of capital spending.

Estimated borrowings to fund the Consolidated Account are higher in 2008-09 compared with 2006-07. This reflects a significant expansion of the Government's capital program projected at the time of the 2008-09 Budget.

### CASH ALIGNMENT POLICY

**98 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (30 September 2008). With respect to the 2008-09 budget papers, why was there an estimated \$75.4 million result for the 'return of cash to Consolidated Account—cash alignment policy' in 2007-08 when \$3.9 million was budgeted for, and from what sources did this revenue come?

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):** I am advised that under the Cash Alignment Policy, the Department of Treasury and Finance undertakes regular management and monitoring of agency surplus cash balances that are, in turn, transferred to the Consolidated Account. The amounts to be transferred are based on agency year-end cash balances from the previous budget year. With respect to the 2008-09 Budget Papers, the variance on the line entitled 'Return of Cash to Consolidated Account—Cash Alignment Policy' between the budget estimate and the estimated result in 2007-08 was largely the result of below budget agency expenditure and above budget receipts in 2006-07. There was no budget impact as a result of this transfer to Consolidated Account.

### FLEET SA

**99 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (30 September 2008). With respect to the department's long term borrowings of some \$218 million in 2008-09:

- what do these borrowings relate to;
- what are the terms of the borrowings, including the interest rate and the maturity date; and
- from whom are the borrowings with?

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):**

(a) I am advised that the borrowings are for the purchase of motor vehicles by Fleet SA for the government's passenger and light commercial motor vehicle fleet.

(b) As at 30 June 2008, the weighted average interest rate for these borrowings was 6.58 per cent with maturity dates ranging from 6 November 2008 to 6 June 2011.

(c) The borrowings are with the South Australian Government Financing Authority.

**FLEET SA**

**100 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (30 September 2008). With respect to the department's short term borrowings, why was only \$1.1 million borrowed in 2007-08 when \$102.6 million was budgeted for, and what was the purpose of these borrowings?

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):** I am advised that the \$102.6 million budget amount for 2007-08 related to the short term borrowings associated with the government's vehicle fleet replacement program (Fleet SA) that was transferred to the Department of Treasury and Finance (DTF) following the abolition of the former Department for Administrative and Information Services.

This amount was subsequently reclassified by DTF between the short term and long term borrowing categories in accordance with the relevant term to maturity of the liabilities.

**LONG SERVICE LEAVE**

**101 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (30 September 2008). With respect to the 2008-09 budget papers, why has \$30 million been allocated for long service leave costs in 2008-09, when there have been no such provision in previous years?

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):** I have been provided the following information:

As part of the establishment of Shared Services SA, agencies are transferring all related assets and liabilities (in particular employee leave liabilities) from their balance sheets to that of Shared Services SA. The cash associated with the liabilities is also being transferred from agencies to ensure that as Shared Services SA is established, it is provided with sufficient working capital to meet its liabilities when they fall due.

The \$30 million reflected in the 2008-09 Budget Papers was a point-in-time estimate of the accumulated long service leave liabilities that might transfer to Shared Services SA during 2008-09. It was established as a source of cash that agencies could access if they did not hold sufficient cash reserves of their own to meet the required transfers to Shared Services SA.

Because this budget line reflects an internal transaction within government, there is no budget impact associated with the establishment or use of the provision. Conversely, there is no benefit to the budget if the provision is not used.

**STATE BUDGET**

**105 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (30 September 2008). What is the proposed date for the release of the 2009-10 state budget?

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):** The 2009-10 State Budget will be released on 4 June 2009.

**PUBLIC SECTOR SALARIES**

**393 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (17 November 2008). With respect to the report of the Auditor-General 2007-08—part C, page 59—Why was \$57 million appropriated from the Consolidated Account for increases in public sector salaries under section 15 of the Public Finance and Audit Act 1987 in 2007-08, when the last such appropriation was made in 2005-06?

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):** I have been provided the following information:

Section 15 under the Public Finance and Audit Act 1987 ('the Act') provides:

'Where by reason of the award, order or determination of a court, tribunal or other body empowered to fix salaries, wages or allowances, additional money is required to meet increases in salaries, wages, allowances, pay-roll tax or superannuation contributions payable to, or in respect of, employees whose salaries, wages or allowances are paid wholly or in part out of public money, the Treasurer may appropriate an amount sufficient to cover those increases from the Consolidated Account.'

Section 15 under 'the Act' provides government with the flexibility to manage within the limits set by Parliament in the annual Appropriation Act, while also meeting appropriation requirements that are unforeseen when the annual Appropriation Act is drafted.

Section 15 under 'the Act' has been used where the appropriate legislative authority, (typically the Industrial Relations Commission), ratifies enterprise bargaining agreements that require material amounts of appropriation to fund wage and salary payments to public sector workers.

Financial years 2005-06 and 2007-08 were two such years when enterprise bargaining agreements were ratified for some of the larger public sector employment groups such as education staff, public sector wages parity group, salaried medical officers (2005-06), and nurses/midwives and police (2007-08).

#### FUNDS SA INVESTMENTS

**394 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (17 November 2008). With respect to the report of the Auditor-General 2007-08—part B, volume 3, page 745:

- (a) why were new investment products added to the category 'other' investments in 2007-08 and;
- (b) what was the net change in these new investment products in 2007-08?

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):** I have been provided the following information:

(a) The 'other' investment category includes the Inflation Linked Securities and Diversified Strategies Income asset classes. The target asset allocation for these sectors was 13 per cent and 5 per cent respectively as at 30 June 2008.

As at 30 June 2007 the Fund had a target allocation for Inflation Linked Securities of 13 per cent, and a target allocation for Hybrid Securities of 5 per cent.

Funds SA incorporate their exposure to Hybrid Securities into a broader asset class called Diversified Strategies Income (DSI). Strategies adopted by the Funds SA DSI portfolio are defined as investment opportunities with expected returns between that of bonds and equities, not readily classifiable within the other asset classes.

When considering the asset management products offered by Funds SA, the Motor Accident Commission determined that the DSI product offered by Funds SA was an acceptable fit to the portfolio to replace the Hybrid exposure.

(b) Over the period invested (December 07—June 08) the DSI product provided a return of 3.6 per cent, slightly below the benchmark for the period of 4.2 per cent. The Inflation Linked Bond sector returned 6.0 per cent for the year, compared to a benchmark of 6.2 per cent.

#### FUNDS SA INSURANCE

**395 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (17 November 2008). With respect to the report of the Auditor-General 2007-08—part B, volume 5, page 1275—What is the cost to Funds SA for insuring all major risks through SAICORP?

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):** I have been advised that the cost to Funds SA for its insurance cover with SAICORP (based on the standard SAICORP SA Government Agency Agreement) for 2008-09 was \$2,852.58 inclusive of all costs (ie. premium, stamp duty and GST). The comparable cost for the 2007-08 financial year was \$2,775.07.

#### FUNDS SA

**396 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (17 November 2008). With respect to the report of the Auditor-General 2007-08—part B, volume 5, page 1262:

- (a) why did Funds SA incorporate \$2.1 billion in other funds in 2007-08, namely \$1.9 billion from the Motor Accident Commission CTP Fund and \$270 million from the Metropolitan Fire Service super scheme; and

- (b) what other funds will be incorporated into Funds SA in 2008-09 and over the forward estimates?

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):** I have been provided the following information:

During 2007-08:

- The Motor Accident Commission (MAC) applied to and was granted approval from the Treasurer to transfer certain funds to Funds SA for investment and management, in accordance with the Superannuation Funds Management Corporation of South Australia (SFMCSA) Act, 1995.
- MAC funds transferred to Funds SA during 2007-08 totalled \$1.9 billion.
- The SA Metropolitan Fire Service Superannuation Scheme (SAMFSSS) was declared by the Acting Treasurer to be an Administered Scheme under Schedule 3 of the Superannuation Act, 1988 with effect from 1 August 2007 (refer SA Government Gazette dated 19 July 2007, pg 3109). Under the gazettal notice, the Acting Treasurer declared that the funds of SAMFSSS were required to be transferred to Funds SA for investment and management.
- SAMFSSS funds transferred to Funds SA during 2007-08 totalled \$270 million.
- The Adelaide Cemeteries Authority (ACA) applied to and was granted approval from the Treasurer to transfer certain funds to Funds SA for investment and management, in accordance with the SFMCSA Act, 1995.
- ACA funds transferred to Funds SA during 2007-08 totalled \$7 million.

#### **SOUTH AUSTRALIAN GOVERNMENT FINANCING AUTHORITY**

**399 Mr HAMILTON-SMITH (Waite—Leader of the Opposition)** (17 November 2008).  
With respect to the report of the Auditor-General 2007-08—part B, volume 4, page 1027:

1. What was the value of mortgage-backed securities secured by US residential mortgages at 30 June 2008, given that SAFA's investments included \$162.6 million of mortgage-backed securities secured by Australian residential mortgages?

2. What was the nature of the \$35 million in impaired investments in 2007-08?

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):** I have been provided the following information:

SAFA had no mortgage-backed securities secured by US residential mortgages at 30 June 2008. SAFA's investment of \$162.6 million of mortgage-backed securities at 30 June 2008 comprised of Australian residential mortgages all of which were rated AAA by Standard & Poor's rating agency.

The impaired investment of \$35 million in SAFA's accounts for 2007-08 relates to SAFA's holding of securities issued for the Adelaide to Darwin railway project. As there is reasonable doubt that not all the principal and interest will be collected in accordance with the terms of the securities, a provision was made in SAFA's financial statements.

The provision represents SAFA's estimate as at 30 June 2008 of the amount at risk. Under the arrangements put in place at the time of the State's interest in the project in April 2001, the Premier at the time provided a guarantee and indemnity to SAFA against any loss SAFA might suffer on the investment. Accordingly, the impairment provision expense in SAFA's accounts is matched by a receivable from the Premier. The amount payable by the Premier is recognised in the financial report for the Department of the Premier and Cabinet.

#### **SHARED SERVICES**

In reply to **Mr GRIFFITHS (Goyder)** (25 June 2008) (Estimates Committee A).

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):** I have been provided the following information:

The 2008-09 Shared Services program budget for employee benefits and costs of \$17.9 million covers 195.6 full-time equivalent employees (FTE).

Of the total 2008-09 Shared Services program budget for employee benefits and costs, some \$12.9 million for 120.8 FTEs are engaged on Sub Program 3.1 Shared Services Reform. Shared Services Reform involves the design, development and implementation of shared services across government.

The remaining \$5.0 million covers 74.8 FTE (who transferred to Shared Services SA as Tranche 1, Group 1A) on 31 March 2008 and are engaged on Sub Program 3.2 Shared Services Operations. Shared Services Operations represents the actual delivery of accounts payable, accounts receivable and payroll services to various government agencies and business units.

### CLUBS AND COMMUNITY GROUPS

In reply to **Mr PEDERICK (Hammond)** (27 June 2008) (Estimates Committee A).

**The Hon. M.J. WRIGHT (Lee—Minister for Police, Minister for Emergency Services, Minister for Recreation, Sport and Racing):** I refer to the Honourable Member's question and my response at the Estimates Committee meeting.

In my answer on the day I listed all grant programs that had been approved and the quantum for each program.

In providing this answer I relied on the advice given by the Office for Recreation and Sport. The Executive Director of the Office has subsequently advised me that there is an error in my final sentence. I stated the following:

'In total 452 were approved for \$8,972,950.'

The statement should have been 'In total 452 were approved for \$10,056,765.50.'

The Executive Director has advised me that this error was caused by a spreadsheet calculation error. The difference in the amounts is due to the non-inclusion of the Active Club total in the quantum.

The Office for Recreation and Sport did not pick up this error until an answer to this question was prepared.

I table this correction to the record of hearing.

A list of clubs and community groups that received grants in 2007-08 is attached for your information.

#### Active Club Program

Adelaide Baseball Club	To assist with a kitchen upgrade.
Adelaide Bushwalkers	To assist with the purchase of equipment.
Adelaide Canoe Club	To assist with the purchase of kayaks for people with a disability and coach development.
Adelaide Croatia Soccer Club	To assist with the purchase of equipment.
Adelaide Hills Soccer Club	To assist with the purchase of sporting equipment.
Adelaide Hockey Club	To assist with the cost of a surface upgrade.
Adelaide Olympic Women's Football Club	To assist with the purchase of sporting equipment.
Adelaide University Volleyball Club	To assist with the purchase of sporting equipment.
Africa United All Stars Football Club	To assist with the purchase of sporting equipment.
Aldinga Netball Club	To assist with a surface upgrade.
Amata Community Centre	To assist with the purchase of sporting equipment.
Arista Marion Korfbal Club	To assist with the purchase of sporting equipment.
Athelstone Soccer Club	To assist with the purchase of equipment.
Austral Volleyball Club	To assist with the purchase of sporting equipment.
Ballendella Gymnastics Club	To assist with the purchase of equipment.
Barmera Golf Club	To assist with a facility upgrade.
Barossa Valley Little Athletics Centre	To assist with an upgrade of a long jump pit.
Bay Royals of Marion Marching Club	To assist with the purchase of equipment.
Beaumont Bowling Club	To assist with the cost of a facility and surface upgrade.
Bellevue Heights Tennis Club	To assist with the purchase of sporting equipment.



Blue Lake Archers	To assist with conducting an archery program.
Border Downs Tintinara Netball Club	To assist with a coach development course.
Brahma United Netball Club	To assist with a facility upgrade.
Brighton Lacrosse Club	To assist with the purchase of equipment.
Burnside Hockey Club	To assist with the cost of a coaching and development program.
Burra Baseball Club	To assist with the purchase of equipment.
Burra Pony Club	To assist with a surface upgrade.
Burundi Eagles	To assist with the purchase of sporting and office equipment.
Clearview Bowling Club	To assist with the purchase of equipment.
Concordia Old Collegians Cricket Club	To assist with the purchase of sporting equipment.
Cowell and District Bowling Club	To assist with the purchase of sporting equipment.
Cummins Tennis Club	To assist with a court redevelopment.
Dolphins Amateur Swimming Club	To assist with the purchase of equipment and coach training.
Dublin Cricket Club	To assist with an oval upgrade.
Eagles Women's Football Club	To assist with the purchase of sporting equipment and coach development.
East Torrens District Cricket Club	To assist with a clubroom upgrade.
Eels Rugby League Club	To assist with the purchase of sporting equipment.
Elizabeth Aquatic Club	To assist with the cost of a mentor scheme.
Elizabeth Football Club	To assist with the purchase of equipment.
Elizabeth Netball Association	To assist with the purchase of sporting equipment.
Elizabeth Pistol Club	To assist with the purchase of sporting equipment.
Enfield Little Athletic Centre	To assist with the purchase of equipment.
Equestrian Park Aldinga	To assist with a clubroom upgrade.
Fairview Park Netball Club	To assist with the purchase of equipment.
Fitzroy Community Club	To assist with a facility/veranda upgrade.
Flagstaff Hill Golf Club	To assist with the costs of conducting the 'Give Golf a Go' clinics.
Flagstaff Hill Tennis Club	To assist with upgrading floodlights.
Fleurieu Swimming Club	To assist with the 'Building the Future' program.
Flinders Park Football Club	To assist with replacing goalposts.
Flinders Soccer Club	To assist with the purchase of sporting equipment.
Flinders University Underwater Club	To assist with the purchase of a new dive boat.
Forestville Eagles Basketball Club	To assist with the purchase of equipment and coach/official development.
Freeling Football Club	To assist with a facility upgrade.
Fulham Cricket Club	To assist with the purchase of cricket kits and coach accreditation.
Gawler Croquet Club	To assist with the purchase of sporting equipment.
Gawler Rangers Baseball Club	To assist with the purchase of sporting equipment.
Golden Grove Bowling Club	To assist with the purchase of equipment.
Golden Grove Tennis Club	To assist with a lighting upgrade.
Goolwa Bowling Club	To assist with the installation of floodlighting.
Goolwa Rowing Club	To assist with the purchase of sporting equipment.
Grange Cricket Club	To assist with a turf and hard wicket upgrade.
Gulnare-Redhill Football and Netball Club	To assist with a surface upgrade.
Gumnuts Netball Club	To assist with the purchase of equipment.
Hackham West Community Centre	To assist with conducting a school holiday program.
Hawthorn Bowling Club	To assist with the 'Introduction to lawn bowls' program.
Henley Water Polo Club	To assist with the purchase of sporting equipment.
Hope Valley Sporting Club	To assist with the delivery of the 'Player Health Management' program.
Houghton Districts Football Club	To assist with clubroom renovations.
ICC Sharks Cricket Club	To assist with the purchase of sporting equipment.

International Optimist Dinghy Association of South Australia	To assist with the purchase of equipment.
Ironbank Cherry Gardens Football Club	To assist with a floodlight upgrade.
Ironbank Cherry Gardens Tennis Club	To assist with a 'Tennis—Getting Started' program.
Iwantja Community	To assist with the purchase of sporting equipment.
John Wesley Tennis Club	To assist with a backstop upgrade.
Kaltjitji Community	To assist with the purchase of sporting equipment.
Kangarilla Pony Club	To assist with the purchase of jumps.
Kanypi Community	To assist with the purchase of sporting equipment.
Kapunda Swimming Pool	To assist with a filter system upgrade.
Karate-Do Goju-Kai Salisbury Dojo	To assist with a new arrivals program.
Kimba District Football and Netball Club	To assist with the cost of a sports trainers course.
Kindergym Strathalbyn	To assist with the purchase of equipment.
Kingscote Cricket Club	To assist with a practice facility upgrade.
Ladybirds Netball Club	To assist with coach/official development.
Le Fevre Peninsula Skid Kids	To assist with the purchase of bikes.
Littlehampton Netball Club	To assist with a netball/tennis court surface upgrade.
Lobethal Bowling Club	To assist with the installation of floodlights.
Lock Football Club	To assist with a fitness and rehabilitation program.
Lower North Cricket Association	To assist with a facility upgrade.
Lutheran Tennis Club Murray Bridge	To assist with a court upgrade.
Mannum and Districts Pistol and Shooting Club	To assist with the replacement of targets.
Mannum Riding Club	To assist with a surface upgrade.
Metropolitan Schools Team Sailing Association	To assist with the purchase of a boat trailer.
Mid Hills Netball Association	To assist with first aid and sports injury training.
Mimili Community	To assist with the purchase of sporting equipment.
Mintaro Manoorra Netball Club	To assist with a surface upgrade.
Moonta Netball Club	To assist with a netball court upgrade.
Morgan Cadell Golf Club	To assist with the upgrading of tees.
Morphettville Park Sporting Club	To assist with upgrading floodlights.
Mount Barker United Netball Club	To assist with coach and official development.
Mount Gambier Bowls Club	To assist with the cost of a junior development program.
Mount Gambier District Senior Athletic Centre	To assist with the purchase of sporting equipment.
Mount Gambier Italo Australian Club	To assist with a facility upgrade.
Munno Para Little Athletics Centre	To assist with the purchase of equipment.
Murray Bridge Rowing Club	To assist with the purchase of a boat.
Myponga Pistol and Shooting Club	To assist with a facility upgrade.
Noarlunga Master Swimmers	To assist with the Reef Swim event.
North Adelaide Basketball Club	To assist with a volunteer support program.
North East Districts Rugby Union Club	To assist with the purchase of sporting equipment.
North East Hockey Club	To assist with the purchase of sporting equipment.
North Haven Surf Life Saving Club	To assist with the purchase of a boat.
Norwood Basketball Club	To assist with the cost of a junior basketball development program
Norwood Swimming Club	To assist with the cost of the 'Training Tomorrows Champions Today' program.
Oakdale Netball Club	To assist with the purchase of equipment, coach accreditation, and to conduct clinics.
Old Ignatians Cricket Club	To assist with the purchase of equipment.
Old Scotch Cricket Association	To assist with the purchase of equipment.
Orroroo Football Club	To assist with a facility upgrade.
Para Hills Soccer Club	To assist with a floodlight upgrade.
Para Hills Wanderers Netball Club	To assist with the purchase of equipment.

Pipalyatjara Community	To assist with the purchase of sporting equipment.
Port Adelaide District Baseball Club	To assist with the purchase of sporting equipment and club promotion
Port Adelaide Netball Association	To assist with the purchase of safety equipment.
Prospect and Enfield Kindergym	To assist with the purchase of equipment.
Pukatja (Ernabella) Community	To assist with the purchase of sporting equipment.
Reade Park Bowling Club	To assist with a floodlight upgrade.
Reade Park Lawn Tennis Club	To assist with the purchase of sporting equipment.
Renmark Bowling Club	To assist with the installation of wheelchair access.
Renmark District Cricket Association	To assist with constructing a multi-purpose batting cage
Reynella Community Centre Bowling Club	To assist with the installation of floodlights.
Rosewater Football Club	To assist with the purchase of sporting equipment.
SA Table Tennis Association for People with Disabilities	To assist with the purchase of table tennis tables.
Sacred Heart Old Collegians Football Club	To assist with the purchase of sporting equipment and medical supplies.
Salisbury Villa Sports and Social Club	To assist with the cost of the 'Get fit, be active' program
Sandy Creek Cricket Club	To assist with the installation of a turf pitch.
Scouts SA—1st Ingle Farm Scout Group	To assist the 1st Ingle Farm Scout Group, with the purchase of equipment
Scouts SA—1st Northfield Sea Scout Group	To assist 1st Northfield Sea Scout Group, with a boat trailer upgrade.
Scouts SA—1st Taperoo Sea Scout Group	To assist the 1st Taperoo Sea Scout Group, with the purchase of a boat
Scouts SA—Athelstone Scout Group (1st)	To assist the Athelstone Scout group (1st), with the purchase of equipment.
Scouts SA—Fullarton Scout Group	To assist the Fullarton Scout Group, with the purchase of equipment.
Scouts SA—Glanville Hall Sea Scout Group	To assist the Glanville Hall Sea Scout Group, with the purchase of an outboard motor.
Scouts SA—Hallett Cove Group	To assist the Hallett Cove Scout Group, with the purchase of equipment.
Scouts SA—Happy Valley Scout Group	To assist the Happy Valley Scout Group, with the purchase of office equipment.
Scouts SA—Mount Gambier Scout Group	To assist the Mount Gambier Scout Group, with the cost of the 'Do it all, fun and fitness program'.
Scouts SA—Ridgehaven Scout Group	To assist the Ridgehaven Scout Group, with a facility upgrade.
Seacliff Surf Life Saving Club	To assist with the purchase of a competition standard inflatable rescue boat
Sierra Leonean Community of SA	To assist with the purchase of sporting equipment.
Sikopi Korfbal Club	To assist with recruitment and a 'Youth Development 2008' program
South Adelaide Soccer Club	To assist with the purchase of equipment.
South City Chiefs Club	To assist with the purchase of sporting equipment.
Southern Districts Baseball Club	To assist with conducting a school program.
Southern Districts Gridiron Club	To assist with the purchase of sporting equipment.
Southern Hills Indoor Bowling Club	To assist with purchasing equipment.
Southern Table Tennis Association	To assist with the purchase of equipment.
Southern United Netball Association	To assist with a facility upgrade.
Southern Vales TeeBall Association	To assist with the purchase of sporting equipment.
Starplex Swim Club	To assist with the purchase of equipment.
Sturt Bowling Club	To assist with the installation of a shade structure.
Sturt Marion Thunder Soccer Club	To assist with the purchase of sporting equipment.
Summertown Tennis Club	To assist with the purchase of sporting equipment.
Sunnybrae Riding and Pony Club	To assist with the purchase of equipment.
Tango Netball Club	To assist with the purchase of sporting equipment.

Tantanoola Netball Club	To assist with a surface upgrade.
Tea Tree Gully Volleyball Association	To assist with a promotion and improvement program.
Tiger Judo Club	To assist with the purchase of equipment.
Torrens Rowing Club	To assist with the purchase of equipment.
Torrens Valley Redsox Softball Club	To assist with a junior softball development program.
Tranmere Bowling and Tennis Club	To assist with a surface upgrade.
Triplings Triathlon Club	To assist with the purchase of coaching aids.
Trinity College Old Scholars Cricket Club	To assist with the purchase of equipment.
Trinity Old Scholars Football Club	To assist with the purchase of equipment.
Two Wells Equestrian and Pony Club	To assist with the purchase of equipment.
Two Wells Golf Club	To assist with the purchase of equipment and administration costs.
Vietnamese Friendship Table Tennis Club	To assist with conducting coaching programs and table tennis clinics.
Vines Golf Club of Reynella SA	To conduct a golf promotion program.
Virginia Sporting Bodies	To assist with a facility upgrade.
Waikerie Little Athletics Club	To assist with the purchase of sporting equipment.
Walkerville Softball Club	To assist with the cost of equipment and coach accreditation.
Wallaringa Orienteers	To assist with the purchase of a trailer.
West Lakes Canoe Club	To assist with the purchase of kayaks.
Western Districts Junior Rugby Union Football Club	To assist with the purchase of sporting equipment.
Western Ireland Women's Gaelic Football Club	To assist with establishment of a new club.
Willunga Recreation and Sporting Centre	To assist with the purchase of sporting equipment.
Woodville City Soccer Club	To assist with upgrading floodlights.
Woodville District Basketball Club	To assist with the purchase of sporting equipment.
Woodville Glengarry Tennis Club	To assist with the purchase of sporting equipment.
Woodville Little Athletics Centre	To assist with the purchase of sporting equipment.
Woodville Rechabite Matheson Sports Club	To assist with the purchase of sporting equipment.
Woodville South Junior Football Club	To assist with conducting the 'Activate Yourself' program

#### Community Recreation and Sport Facilities

Bicycle SA	Cudlee Creek Forest Sustainable Down Hill Trail Initiative
Blackwood Football Club	Oval Lighting
Coober Pedy Council	Lighting Up Oxiana Oval
Ewart Oval Management Committee	Southern Flinders Regional Sports Complex
Gawler and District Tennis Association	Multi purpose facility development
Glenelg Baseball Club	Anderson Reserve Regional Facility Upgrade
Goodwood Saints Football Club	Goodwood Oval Floodlighting Project
Gymnastics SA	Essential Equipment upgrade to maintain high standards and future progress of the sport
International Gun Club	Olympic trap machine
Marble Range Community and Sports Centre	Marble Range Tennis Court Replacement
Payneham Norwood Union Football Club	Upgrade of lighting at Payneham Oval
Riding for the Disabled Association SA—Blackwood	Relocation of the RDA Blackwood Centre Volunteer/Administration Facilities Building
Seaford Sports and Social Club	Training Lights
South Australian Women's Soccer Association	Upgrade Women's Soccer Home Ground
Streaky Bay Tennis Club	Streaky Bay Oval Court Complex
Tatiara Council	Memorial Park Revitalisation

Tennis Seniors Association of SA	South Park Hockey and Tennis Centre—6 Additional Courts
Touch Football Australia	Lighting for Park 17 Adelaide Parklands
Unley Park Sports Club	Unley Park Sports Club Upgrade project phase 1&2
Yalata Community	Yalata Community Well-being Circuit

## Move It!

Adelaide Survivors Abreast	ASA/Boystown Partnership
Alabarda Sports and Social Club Of SA	Tai Chi for Over 50s
Amata Community Centre	Community Sport and Recreation Officer
Asian Women's Consultative Council	Living Recreation (Tai Chi and Qi Gong)
Bushwalking Leadership SA	To support current trainees complete their certificate courses
Canoe South Australia	Ladies Social Paddling Group
Ceduna Sailing Club	Active After School Sailing Program for Youth
Cross Keys BMX Club	Physical Activity for Children & Youth—BMX
Enfield City Soccer Club	Scoring Goals
Grange Lawn Tennis Club	Advantage Refugees!—Grange Tennis Bridging Program
Hackham West Community Centre	Get Kids Connected Tennis Project
Kura Yerlo Council	Indigenous Fitness Instructor
Paralowie R-12 Community Centre	Move It Paralowie!
Port Adelaide Athletic Club	Active for Life
Recreation SA	Move into the Future
SA Bocce Federation	Disadvantaged Men and Women—Bocce Group
SA Cricket Association	Indigenous Cricket Regional Development Program
SA Cycling Federation	Eyes on Track
SA Cycling Federation	Females on Track
Surfing SA	Get Active Surfing South Australia
The Hut Community Centre	Pathways to involvement
Touch Football Australia	Touch and Totts
Tri State Games	Tri State SA 'Development Program'
Wheelchair Sports Association of SA	Boccia Program

## Inclusive Recreation Inclusive Sport Program—Top Up

Blind Sport SA
Riding for the Disabled Association SA
SA Deaf Recreation Association
SASRAPID
Special Olympics SA
Wheelchair Sports Association of SA

## Inclusive Recreation Inclusive Sport Program—Minor Projects

Australian Paralympic Committee	SA Classifier Training Program
Baptist Community Services SA	'Reel 'em In' Fishing and Outdoor Adventure Program
Community Accommodation & Respite Agency	Inclusive camp for children with a disability (Camp for Kids)
Gaelic Football and Hurling Association of SA	Gaelic Football Program for People with a Disability
ICC Sharks Cricket Club	To increase participation for people with disabilities by providing coaching and skill development sessions in the game of cricket.
Kirton Point Kindergarten	Inclusive Pre-School—'Kindy at the Gym'
Millicent Work Option Centre	Basketball Program for people with a disability
Minda	Underwater Discovery Project

Parkholme Senior Citizens Club	Sports Ability Kit Project
Riverland Respite and Recreation Service	Active Lifestyle=Healthy Life
Riverland Support Group for the Disabled	Indoor Cricket for the Intellectually Disabled
Royal Society for the Blind	Tandem Bikes for people who are blind or vision impaired
SA Croquet Association	Croquet Program for people of all ages with a disability
SA Cycling Federation	Handcycling development program for athletes and coaches
SA Rowing Association	'Gateway' and 'Rowing for All'
Salisbury East Neighbourhood House	Introductory recreational activities for people with a disability
Spastic Centres of SA	Tri State Games Team Participation
Venia GymSports	Inclusive Cheerleading for All
Vicki's Pride Dragonboat Association	Inclusive dragonboating program for people with a disability

#### Inclusive Recreation Inclusive Sport Program—Major Projects

Active Ageing SA	Get Active for Living
Adelaide Hills Council	Pathway to Active Sport and Recreation
Alzheimer's Australia SA	Give it a Go Recreation program for people with dementia
Boandik Lodge	Introduce New Sports to Aged Residents
Central Northern Adelaide Health Services	Developing linkages and pathways to Sport and Recreation for people who have experienced a mental illness/related disability
Interchange	'Redfins' Canoe Club Program
Mid West Health & Aged Care	Access to sailing and paddling for people with a disability
Minda	Swimming Squad and Development Program
Multiple Sclerosis Society of South Australia and Northern Territory	Active and Inclusive—A New Exercise Program for People with MS
Port Lincoln Yacht Club	Port Lincoln Yacht Club Disabled Access Project
Royal Society for the Blind	Recreation & Leisure for people who are blind or vision impaired
Salisbury Council	Salisbury Connect—Connecting people with disabilities to community sport
Salisbury High School	'Positively Able'. Demonstrating the leadership, sporting abilities and determination of students with disabilities.
Surfing SA	Surfstarter (surf safety and skill development for people with a physical disability)
Tennis SA	Tennis for people with a disability
Vietnam and War Veterans Rowing and Recreational Club	TPI Veterans Safe and Healthy Rowing and Fitness Project
Wheelchair Sports Association of SA	Inclusive Ski
YMCA of South Australia	Kensington Inclusive Basketball Program

#### Statewide Enhancement Program—SOS—Stream 1

ACHPER SA
Active Ageing SA
Archery SA
Athletics SA
AUSSI Masters Swimming SA Branch
Australian Karate Federation SA
Austswim Ltd
Basketball SA
Bicycle SA
Blind Sport SA

Bowls SA
Canoe South Australia
Confederation of Australian Motor Sport Ltd (CAMS)
Dancesport Australia
Diving SA
Dragonboat Association of SA
Equestrian Federation of Australia (SA Branch)
Fencing SA
Football Federation of South Australia
Gaelic Football and Hurling Association of SA
Gridiron Association of South Australia
Guides SA
Gymnastics SA
Hockey SA
Horse Federation of SA
Indoor Sports South Australia
Judo Federation of Australia SA
Lacrosse SA
Motorcycling SA
Netball SA
Orienteering Association of SA
Pony Club Association of SA
Recreation SA
Riding for the Disabled Association SA
Royal Life Saving Society Australia (SA)
SA Amateur Wrestling Association
SA Badminton Association
SA Baseball League
SA Bocce Federation
SA Clay Target Association
SA Cricket Association
SA Croquet Association
SA Cycling Federation
SA Darts Council
SA Deaf Recreation Association
SA Golf Association
SA Ice Hockey Association
SA Ice Skating Association
SA Little Athletics Association
SA Rifle Association
SA Rowing Association
SA Rugby League
SA Rugby Union
SA Softball Association
SA Weightlifting Association
SANFL
SASRAPID
Scouts Australia (SA)
Skate SA
South Australian BMX Association
South Australian Water Polo
Special Olympics SA
Sport SA
Sports Medicine Australia (SA Branch)
Squash Rackets Association of SA
Surf Life Saving SA
Surfing SA
Swimming SA

Table Tennis SA
Target Rifle SA
Tennis SA
Tenpin Bowling Australia (SA)
Touch Football Australia
Triathlon SA
Volleyball SA
Walking Federation of SA
Wheelchair Sports Association of SA
Women's Golf SA
Yachting SA
YMCA of South Australia

## Statewide Enhancement Program—SARP—Stream 2

ACHPER SA	Regional Physical Activity/Sport Seminars
ACHPER SA	be active Physical Education Week
Active Ageing SA	Creating Capacity to be Active in Regional SA
Adelaide Horse Trials Management	Aust International Three Day Event Manager & Admin
Archery SA	2008 Junior National Championships
Athletics SA	Hubs Establishment and Development
Baptist Community Services SA	Wild Unlimited
Blind Sport SA	BVI Gym and Fitness Centre
Bowls SA	Mums, Bubs'n'Bowls
Brighton Surf Life Saving Club	Brighton Jetty Classic
Ceduna Council	Ceduna be active Sport and Recreation Officer
Charles Sturt Council	Regional Growing for Gold
City—Bay Fun Run Committee	2007 City—Bay Fun Run
Confederation of Australian Sport	Australasian Masters Games
Council on the Ageing (SA)	Get Going Stay Active
Diving SA	2007 Australian Junior Elite Diving Championships
Diving SA	Part Time Development Officer
Down Syndrome Society of South Australia	Camp & Getaway Program
Down Syndrome Society of South Australia	Club Slick
Equestrian Federation of Australia (SA Branch)	Strategic Planning Session
Eyre Peninsula Local Government Association	Eyre Peninsula be active Field Officer
Football Federation of South Australia	New Arrivals Program
Gaelic Football and Hurling Association of SA	Regional Development Project
Glenelg Commemoration Day Sports Association	Bay Sports Festival
Gymnastics SA	Aerial Program—Employment of Specialised Coach
Hockey SA	Cost Benefit of Pitches at DHHA
Horse Federation of SA	Outline Business Case for State Horse Centre
Lacrosse SA	Development Squads
Life Leisure Events Management	Be Active Come 'n Try
Loxton Waikerie Council	Riverland be active Field Officer
Lutheran Church of Australia—SA & NT District	New Arrivals—A Sporting Chance
Migrant Resource Centre	Sport & Active Rec Program for Young People of Refugee Background
Murray Mallee Community Health Service	Murraylands be active Field Officer
Northern Areas Council	Mid North be active Field Officer
Orienteering Association of SA	Preparation of Mountain Bike Orienteering Maps
Port Augusta Council	Port Augusta Outdoor Adventure Centre



Port Pirie Council	Port Pirie Pura Light Start State Masters Games
Port Pirie Council	Mid North be active Field Officer
Reclink SA	Innovative Recreational and Sporting Program for Homeless
Recreation SA	Facility Management Development Program
Recreation SA	Getting It Right
SA Amateur Football League	Planning Review Project
SA Athletic League	121st Bay Sheffield Carnival
SA Baseball League	Coach/Athlete Program Manager
SA Cycle Speedway Association	Cycle Speedway Advancement
SA Ice Skating Association	Governance & Planning Review
SA Ice Sports Federation	Ice Factor Project
SA Road Runners Club	Start Running Classes
SA Road Runners Club	Major Running Events
SA Rowing Association	Indoor Rowing On-line
SA Rugby League	National U15 Rugby League Championships
SA Softball Association	Governance Review & Implementation
SA Softball Association	Australian U16 Girls Softball Championship
SA Weightlifting Association	Governance Reviews & Management Improvement
SA Weightlifting Association	Technical Development Training
Service to Youth Council	Get Rec
South Australian Water Polo	Athlete Development Program
South Australian Water Polo	State Swim Centres Program
South Australian Water Polo	4th Club Initiative
South Australian Water Polo	National Water Polo Championships
South Coast District Hospital	Fleurieu/KI be active Field Officer
South East Local Government Association (SELGA)	South East be active Field Officer
Sport SA	Effective Governance for Sport & Rec Organisations
Swimming SA	Sport Development Camps
Table Tennis SA	State Junior League
Table Tennis SA	SA National Training Centre
Tennis SA	Tennis Officials Training and Development Program
Touch Football Australia	New Affiliate Startup Program
Touch Football Australia	Junior Referee Program
United Way SA	'I Can Play' Program
Volleyball SA	Volleyball Regional Talent Development Project
West Torrens Council	Regional Growing for Gold
Whyalla Council	Whyalla be active Field Officer and Port Augusta be active Field Officer
YMCA of South Australia	Sharing the Fun

## Statewide Enhancement Program—TI—Stream 3

Australian International Pedal Prix	Event Program Support
Australian Paralympic Committee	APC Talent & Development Program
Australian Society of Sport Administrators	Conduct ASSA Courses
Australian Sports Anti-Doping Authority	Provide Anti-Doping Testing Service as described in ASADA Doping Control Agreement
Football Federation of South Australia	Football Camps
Netball SA	Regional Academy Coordinator
SA Cycling Federation	Schools Cycle
SANFL	Delivery of programs and services for indigenous, multicultural, women, girls and volunteer support
SANFL	Conduct Mini-League

SAPSASA	To conduct PS sports competitions with SSO's
Sport SA	State Sport Dispute Centre
Sports Medicine Australia (SA Branch)	State Association Anti-Doping Education Support
SSSSA	To conduct SS sports competitions with SSO's

#### Statewide Enhancement Program—Emergency Funding

Diving SA	2008 Australian National Open Diving Championships
Horse Federation of SA	To employ a project officer to assist clubs comply with requirements for Equine Influenza eradication
Marching South Australia	Australian Marching Association national Titles 2008

### HOMESTART FINANCE

In reply to **Ms CHAPMAN (Bragg—Deputy Leader of the Opposition)** (11 November 2008).

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations):** I have been advised that HomeStart Finance sets interest rates to ensure that financial performance targets are met and with the aim of remaining generally in line with market rates. Adjustments to HomeStart's variable interest rate require approval by the Asset and Liability Committee, a sub-committee of the HomeStart Board. In line with Board-approved policies, changes to HomeStart's variable interest rate are generally passed on to customers within 15 days, regardless of whether the change is up or down.

The HomeStart loan is unique in that loan instalments are generally not adjusted when interest rates change. Consequently, even though interest rates have moved up and down quite significantly in the past few months, customers' instalments were not directly affected and remain subject to indexation at a rate equivalent to CPI.

Announcements of changes to the HomeStart variable interest rate are made in *The Advertiser* prior to the adjustment taking effect.

Certain customer groups have different interest rate notification requirements and HomeStart complies with its relevant contractual or legislative obligations in these specific cases.

In general HomeStart may take a few more days to publicly announce their interest rate changes but the timing of the rate change is generally similar to that of the major banks.

### POLICE COMMISSIONER

**The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change) (14:04):** I seek leave to make a ministerial statement.

Leave granted.

**The Hon. M.D. RANN:** I am pleased to announce today the reappointment of Mr Malcolm Hyde to the position of South Australian Commissioner of Police for a further term of three years and three months. Mr Hyde was originally appointed Commissioner of Police on 10 February 1997 and reappointed for a term of five years in 2001. Another appointment followed for a further term of five years in 2005 and today's reappointment will override the current contract and extend his tenure to July 2012.

Commissioner Hyde has an extensive background in policing, commencing with the Victoria Police in 1967, where he was appointed Deputy Commissioner in 1994. Upon his appointment by the previous Liberal government, Commissioner Hyde immediately began to develop the Future Directions Strategy, which was instrumental in guiding a process of reform within SAPOL. It set SAPOL's future direction, and was developed after recognising the need for change, given the many challenging issues that faced policing at that time.

As part of the Future Directions Strategy, a reform program known as Focus 21 was established in May 1997 to lead, manage and implement key elements of the Future Directions Strategy. The aim of the Focus 21 initiative was to improve the quality and efficiency of police services and to place SAPOL in a position to provide the best level of policing services in the 21<sup>st</sup> century.

One of the most significant reforms implemented by Commissioner Hyde has been the development of a local service area model based on world's best practice for crime reduction and policing local geographic areas. It involved developing core functions, strategies and structures for the best delivery of police services and ensured South Australia Police were responsive to the needs and expectations of the community.

In 2001, Commissioner Hyde launched Operation Avatar, which was formed to monitor and police the unlawful and organised criminal activities of motorcycle gang members in South Australia. In October 2002, Operation Avatar became a permanent section. The Avatar Motorcycle Gang Section had a significant impact on reducing public anti-social behaviour by members of motorcycle gangs, and has seen hundreds of arrests and the seizure of millions of dollars worth of drugs, drug making equipment and the proceeds of motorcycle gang criminal activities.

As a result of the success of the Avatar Motorcycle Gang Section, Commissioner Hyde was appointed in 2007 to head a national working group to examine how Australian jurisdictions are responding to the threat of serious and organised crime carried out by these motorcycle gangs.

Commissioner Hyde has adopted an active and innovative approach to understanding and responding to local community safety concerns. This approach has seen a significant reduction in crime rates under his stewardship. Last financial year, South Australia recorded its lowest level of crime since 1996.

Reducing road fatalities and serious road crash injuries continues to be a key priority for Commissioner Hyde. Part of his program to improve road safety was to introduce a road safety strategy two years ago, and the measures introduced appear to be having an effect. In 1996, 181 people lost their lives on South Australian roads. I think that in 2008 South Australia recorded 99 fatalities. While this is encouraging, it is still too many. Reducing road fatalities and serious road crash injuries will continue to be a priority for the Commissioner.

Maintaining the public's confidence, trust and satisfaction with SAPOL has been a strong focus of Commissioner Hyde. As a result, SAPOL has an enviable reputation for being a professional and ethical police service, and it enjoys the long-standing support and confidence of the community.

This year's Report on Government Services by the Productivity Commission showed that police in South Australia performed better than the national average in key areas of professionalism, honesty and public safety. Of the people surveyed, 82.4 per cent agreed or strongly agreed that South Australia Police perform their job professionally—the highest in the nation—while 81.3 per cent of people surveyed, who have had contact with police in the past 12 months, were either very satisfied or satisfied with the service provided. Of the respondents, 79.2 per cent agreed or strongly agreed that South Australian police were honest. All figures exceeded the national average.

Since his appointment, Commissioner Hyde has introduced initiatives that have delivered tangible benefits to the SA community. Commissioner Hyde has brought a contemporary and fresh approach to policing, and has worked tirelessly to provide an effective policing model. He continues to serve as an exemplar to others, and he continues to set high standards of commitment and professionalism.

On 9 June 2008, Commissioner Hyde was awarded the Officer of the Order of Australia for his service to policing and law enforcement as Commissioner of Police in South Australia, particularly through the development of improved service delivery methods, the detection and prevention of illicit drug use and electronic crime, and through contributions to national law-enforcement policies.

Mr Hyde has been an outstanding commissioner for South Australia, having shown strong leadership over the past 12 years, and the government looks forward to working with Mr Hyde to further reduce the crime rate in South Australia and continue to build safe and secure communities.

## PAPERS

The following papers were laid on the table:

By the Minister for Transport (Hon. P.F. Conlon)—  
Architects Board of South Australia—Report 2008

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

Rules of Court—  
District Court—Civil Rules—Amendment No.9

By the Minister for Environment and Conservation (Hon. J.W. Weatherill)—

Regulations under the following Act—  
Natural Resources Management—General

By the Minister for Families and Communities (Hon. J.M. Rankine)—

Regulations under the following Acts—  
Liquor Licensing—Dry Areas—Murray Bridge  
Rates and Land Tax Remission—General  
Local Council—By-laws—City of Mitcham  
By-law No. 8—Vehicles

By the Minister for Industrial Relations (Hon. P. Caica)—

Regulations under the following Act—  
Workers Rehabilitation and Compensation—  
Claims and Registration—Discontinuance Fee  
Dispute Resolution  
General—Non-economic Loss

#### STATUTORY OFFICERS COMMITTEE

**The Hon. M.J. ATKINSON (Croydon—Attorney-General, Minister for Justice, Minister for Multicultural Affairs, Minister for Veterans' Affairs) (14:12):** I bring up the second report of the committee entitled Report on the Appointment of the Ombudsman.

Report received.

#### PROJECT COMPASSION

**The SPEAKER:** I have a short announcement to make to members of the house. To mark the fact that this week marks the last week of Lent—the last week before Easter—and also the end of Caritas Australia's Project Compassion campaign, as a way of supporting Project Compassion, I invite members to make a gold coin donation for every interjection that they make during question time tomorrow. I will make sure that the boxes are strategically placed throughout the chamber.

*Members interjecting:*

**The SPEAKER:** Indeed. I will also make sure that there is plenty of change available for members who need to change a note of large denomination. I was disappointed to discover too late that the Deputy Premier and the Minister for Transport will not be here tomorrow, but maybe they can make it up to me in another way.

#### VISITORS

**The SPEAKER:** I draw the attention of honourable members to the presence in the gallery today of students from St Michael's College, who are guests of the member for Colton.

#### QUESTION TIME

##### TRAMLINE EXTENSIONS

**Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:15):** My question is to the Premier. Does he know how much his proposed tram extensions to Semaphore, Port Adelaide and West Lakes will cost? The Premier promised in his budget in June 2008 that he would build trams to West Lakes, Semaphore and Port Adelaide, which were described as 'coast to coast trams'. No costings were provided in the budget papers and none have since been provided.

*Members interjecting:*

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (14:16):** Yes, I am the Treasurer; I am in charge of the finances. All of the government's electrification and extension plans for rail and tram are fully costed.

**Ms Chapman:** How much?

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** We have announced a global number.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** I am happy to give an answer but it is very difficult if they choose to interject every time I try to give a constructive answer. We have put a global number out. We have costed all the lines but, as we said in the budget and have said repeatedly, the Outer Harbor extension is in the out years. They are beyond the forward estimates. No government, since budgets have been produced, have produced budget numbers beyond the four-year rolling forward estimates. You never did when you were in government and it—

*Mr Williams interjecting:*

**The SPEAKER:** The member for MacKillop is warned.

**The Hon. K.O. FOLEY:** Absolutely provided for.

*Members interjecting:*

**The SPEAKER:** Order! I have already warned the member for MacKillop.

**The Hon. K.O. FOLEY:** For members opposite who do not understand the budget process, which is very clear, given the incredible path to bankruptcy outlined by the Leader of the Opposition yesterday, we have a four-year rolling program of forward estimates. As the fourth year comes into the—

**The Hon. P.F. Conlon:** How long has that being going on?

**The Hon. K.O. FOLEY:** For as long as I can recall: 20 or 30 years. I do not know how long, certainly the eight years of the Liberal government. The extensions to Outer Harbor and West Lakes are beyond the forward estimates. They are in the budget numbers. Treasury have them in the data that they hold, in terms of beyond the forward estimates, as does the department for transport. To further confirm that, when we have gone to Infrastructure Australia (IA), where we have asked for more money and for a bring forward, we have had to give all of that information to Infrastructure Australia.

I will have more to say on this a little later in question time. We have committed this state to—what is he laughing about? It is in there. Are you going to scrap that to fund your path to bankruptcy? Here we are being asked to justify whether or not we have money in our forward estimates when Mr Bankrupt over here walks out into the media and says, 'I've got this plan. I don't know what it's going to cost. I don't know how we're going to pay for it. I don't know who's paying for it but we can do it.' I will have more to say on that matter a little later.

### INFRASTRUCTURE PROJECTS

**Ms PORTOLESI (Hartley) (14:18):** Will the Premier outline which major building projects have been completed and which projects are being delivered currently by the government of South Australia?

**The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change) (14:19):** There is very much that the government can be proud of in terms of the massive building works program that we have announced and currently have underway—the biggest infrastructure spend, many times more than under the previous Liberal government, because we are generating jobs now by investing in the future. If you want figures—you will not provide figures—I am about to provide you with the figures.

**Ms CHAPMAN:** On a point of order, Mr Speaker: the Premier was asked to identify the projects that have been completed by this government, not have a debate about what the Liberal Party might be doing.

**The SPEAKER:** Order! There is no point of order. The Premier has the call.

**The Hon. M.D. RANN:** No, she does not want a debate about what the Liberal Party might be doing—I can understand that. This is a building works program that, by the way, is employing

many hundreds of workers and will continue to employ hundreds of workers as we roll out this plan over the next decade. The government's infrastructure program is responsible investment in the state's future—in the future of our children—and it supports and sustains real jobs now.

Our plan is one that is integrated and, importantly, costed and budgeted, unlike the Leader of the Opposition's plan. It is a real plan for real purposes, as opposed to uncosted fantasies for no clear reason.

Yesterday morning on radio, the Leader of the Opposition (or just 'Leader' as he likes to be branded) said this in reference to this government: 'They've had eight years. They've done nothing.' It shows how bad the Liberals' maths are, and it does not say much for the leader's powers of observation either. Those on the other side need the benefit of knowing the truth about such things, and that is another thing that the leader made clear on radio last week when he said, 'We need to start being honest with people.' That is what the leader said last week, but somehow that was not quite the case yesterday.

So, let me enlighten the other side about the truth of what has been going on for the past seven years while you have been looking the other way. Today I can announce that building works begin this week on two major government projects, with another beginning in just two weeks' time. I am delighted to inform the house that work on the \$1.4 billion desalination plant has begun. Yesterday, work on the desalination plant began.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. M.D. RANN:** I am informed that, yesterday, the consortium building the plant, Adelaide Aqua, swung into action on the site. Major construction work is now underway for the main plant construction—\$1.4 billion worth. A convoy of heavy machinery has arrived at Port Stanvac, and Adelaide Aqua is now beginning the intensive construction program to meet the first water delivery by December 2010. Over the next few weeks, bulk earthworks will occur, the site facilities will be built, building foundations poured and stormwater swales constructed.

In addition to that, works begin next week on the very exciting extension to the tramline from the western end of North Terrace down to the entertainment precinct on Port Road. The construction of a \$32 million tram overpass also begins next week. I remind the house that work on the \$50 million expansion and the development of the Adelaide Entertainment Centre is currently underway and should be completed by early next year. The \$100 million—

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

**The Hon. M.D. RANN:** And I am looking forward to the Leader of the Opposition being down there at the opening, because he says he is going to knock it down and then relocate it up the road, apparently on a fault line—on a fault line, the Entertainment Centre—and the huge stadium will be built on the fault line that they were talking about last week that nothing should be constructed upon; but never mind, they do not have a memory that lasts that long.

The \$100 million tramline extension should also be completed by early next year. I am looking forward to that opening, and we will invite the Leader of the Opposition to come with us. The tramline extension will provide a major park and ride facility for commuters. The idea is that people can drive to the Entertainment Centre, park their cars and catch the tram into town.

Of course, our infrastructure minister only an hour or so ago announced the successful tenderer for master planning a new transport oriented development (TOD) on the 10 hectare Clipsal factory site, which is almost adjacent to the new tramline stop and the Entertainment Centre. That will be a whole new residential and commercial village built—the first of its kind along the new transport corridor created by the new tramline, an electrified rail corridor leading from the Port into the city.

Within two weeks preliminary works will begin on the site of the \$130 million Glenside redevelopment—so, we are even looking after the deputy leader's electorate—of the new hospital and mental health facilities. But wait, there is much much more! Let me list some of the government's achievements so that no more members opposite can go to the public and be dishonest with them and say that this government has done nothing.

In terms of our capital works building program we have much to talk about. I understand, by the way, not the 5 per cent each year incremental increase, we are now about five times more spend and investment on infrastructure than when the Leader of the Opposition was a member of

the cabinet. Apparently there was one brief shining moment. I want him to compare expenditure under the Liberals on infrastructure with our record investment in the future. The biggest infrastructure spend in the state's history. He wants figures, we will give him figures. We have:

- Completed and launched the \$31 million tramline extension from Victoria Square to City West, which members opposite supported, then opposed, then supported;
- Completed and opened the \$178 million Port River Expressway bridges (road and rail bridges);
- Completed and opened the \$41 million Bakewell Underpass;
- Completed the \$30 million upgrade of Port Wakefield Road;
- Completed the Sturt Highway duplication from Daveyston to Greenock;
- Started the Sturt Highway duplication from Gawler to Daveyston;
- Opened the \$118 million Gallipoli Underpass on the Anzac Highway;
- Completed the \$26 million Marina Adelaide project, a new marine and industrial precinct;
- Completed a giant percentage of the new Techport shipbuilding facilities at Outer Harbour;
- Completed the \$24 million upgrade to the Le Fevre Peninsula transport corridor;
- Completed the \$45 million deepening of the port so that it can take the large Panamax shipping vessels;
- Started the \$564 million Northern Expressway;
- Almost completed the \$135 million stages A and B redevelopments of the Lyell McEwin Hospital, and started work on the \$201 million stage C, effectively doubling the number of beds at the Lyell McEwin;
- Completed the \$40 million stage 1 redevelopment of the Queen Elizabeth Hospital and halfway through the \$127 million stage 2;
- Started the \$153 million redevelopment and expansion of the Flinders Medical Centre;
- Started a \$100 million-plus program of redevelopment of country hospitals, including at Berri and Whyalla;
- Completed—

*An honourable member interjecting:*

**The Hon. M.D. RANN:** No, I doubt whether you will read this in the paper. I will continue:

- Completed the \$17 million Margaret Tobin Mental Health Centre at the Flinders Medical Centre;
- Completed a \$12 million upgrade of the Murray Bridge Hospital;
- Started and opened all 10 of the \$29.5 million trade schools now operating in our high schools system;
- As part of our \$216 million Education Works budget, works are expected to begin later this year on six new super schools to be built at Playford North, Munno Para West, Blair Athol, Gepps Cross, Woodville Gardens and Taperoo—and, while timelines are still to be finalised, I am told that we are working towards the first two schools opening next year;
- And we are nearing completion of the \$60 million Glenelg Reuse Scheme that will pipe about 5.5 billion litres of treated water from the Glenelg Waste Water Treatment Plant into the city to water our Parklands and make it available to 64 commercial buildings in the CBD.

Mr Speaker, I could go on and on. The revitalisation—

*Members interjecting:*

**The Hon. M.D. RANN:** Don't forget, my record in this house on one clause was to speak for one hour and 59 minutes. It was a very important clause. It is just a shame that it wrecked a

good night out for the front bench. It was Elton and Billy. The revitalisation of our metropolitan rail network has also started with work beginning on the \$30 million Belair line upgrade at the end of April, due to be completed in August.

Work on the Noarlunga line will begin when Belair is completed, while we are hoping that the revitalisation of the Gawler line is brought forward by two years if the bid to the federal government's Infrastructure Australia fund is successful. Bids are also on the table for an extension of the rail network south to Seaford and the upgrade of the Torrens and Goodwood rail junctions.

Through responsible economic planning and prioritisation, this government has established a program of works to take us towards our ultimate goal of creating Australia's most liveable and sustainable capital city. It is an integrated plan of developments. It is a real vision with real buildings, real money and real jobs—a plan, not a fantasy—real jobs, costed, not uncoded, and that is the difference. It is about economic development, including growing our very lucrative defence industry, but also about creating export corridors and creating jobs and jobs and jobs in industries and businesses both big and small.

It is about securing our water future with desalinated water and building and maintaining our position as the city with the greatest water recycling capacity in Australia. It is about making our public transport system more efficient and environmentally friendly and faster so that people can get to where they are going quicker on quieter, better run and better scheduled services. It is about integrating the public transport, with better road networks and more medium density, cost efficient housing and business developments, so easing our burgeoning city traffic. That is what this government has done and what we are doing, compared to seven different hospital locations, three different options, a hospital on wheels and a stadium that will be, of course, their mirage in the city.

#### ROYAL ADELAIDE HOSPITAL

**Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:31):** I was enjoying that; I wish it could have gone on a bit longer. My question—

*Members interjecting:*

**The SPEAKER:** Order!

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

**The SPEAKER:** Order! The Minister for Transport will come to order.

**Mr HAMILTON-SMITH:** My question is to the Premier. Why did the Premier tell South Australians yesterday that the full cost of the rail yards hospital project was totally factored into the government's budget forward estimates, and were his claims wrong? When questioned about the costings for his rail yards hospital project, the Premier told ABC Radio, 'It's totally factored into our forward estimates.' The interviewer then asked, 'Your hospital, you can find it in the budget, the \$1.7 billion is in the budget?' The Premier replied and again said, 'Totally, absolutely factored it in, in terms of our forward estimates, and Kevin's made that very, very clear.' According to the budget papers, the \$1.7 billion is not included in the forward estimates.

*Members interjecting:*

**The SPEAKER:** Order!

*The Hon. M.D. Rann interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (14:33):** Coming from a—

**An honourable member:** Dishonest.

**The Hon. K.O. FOLEY:** —'dishonest', was that the interjection—Leader of the Opposition, who yesterday—and I will have more to say about that—

**Mr HAMILTON-SMITH:** Mr Speaker, I ask the member to withdraw. We do not need that sort of—

*Members interjecting:*

**The SPEAKER:** Order! I ask the Treasurer to withdraw.



**The Hon. K.O. FOLEY:** I withdraw, but I think he was in the question accusing the Premier of being dishonest. That was the nature of the question, I thought. Glass jaw—

**The SPEAKER:** Order!

**Ms CHAPMAN:** Sir, on a point of order, it is not acceptable for a qualified apology—

**The SPEAKER:** Order! I simply asked the Treasurer to withdraw, which he has done.

**The Hon. K.O. FOLEY:** Oh, I withdraw, Vickie; I withdraw. The member for Hartley is laughing. What would the member for Hartley be laughing about?

*Members interjecting:*

**The Hon. K.O. FOLEY:** No chance; trust me.

*Members interjecting:*

**The Hon. K.O. FOLEY:** God, you are a grumpy lot! Here I am answering a very serious question with a serious answer. Where were we? The hospital.

*An honourable member interjecting:*

**The Hon. K.O. FOLEY:** Yes, it is in the budget. This guy yesterday revealed a path to bankruptcy, a vision that would cost multiple billions of dollars, and there was no scrutiny in the printed media of the fact that the vision was uncosted, unfunded and unaffordable, and we are in the middle of the worst financial crisis since the Great Depression. But nobody, particularly *The Advertiser*, seems remotely worried or interested in the fact that it could bankrupt the state.

**An honourable member:** Yes, what crisis?

**The Hon. K.O. FOLEY:** Yes, crisis—what crisis? It reminds me of Lawrence Springborg. Crisis—what crisis? If you looked at the front page of *The Advertiser* yesterday, it had its stadium there, so their objective was met, but there was no scrutiny of cost, and here we are having to justify where our money is in our budget. We are building a hospital!

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** We all understand the sensitivities at Tiserland, that they do not like the idea that we in government actually have an opinion that they are somewhat biased on this issue. They get a bit sensitive. I would like to see *The Advertiser* actually do what a paper should do—which it does regularly with stuff that I announce—and that is scrutinise the bottom line.

If it is \$50 million one way or \$50 million the other way, it is a blow-out. But, apparently, the lieutenant colonel (retired) can put out his vision and there is not one skerrick of scepticism, analysis or pressure about how he is going to pay for it. So don't bleed crocodile tears to me in editorials that somehow the Premier has been unfair. It is a bloody stitch, and we know it! *The Advertiser* wants a city stadium. It will not put Hamilton-Smith under any pressure on this at all, and we have got to call it what it is. It is a stitch by *The Advertiser* and the Leader of the Opposition.

Having said that, I am quite comfortable with it. I read that editorial with great mirth and humour this morning. Let us put aside the stitch by the opposition and today's daily *Advertiser* on their desire to have a city stadium. The hospital is costed. We have had detailed costing work undertaken.

*Members interjecting:*

**The SPEAKER:** Order!

*An honourable member interjecting:*

**The Hon. K.O. FOLEY:** Yes, how about the government wanting to build a hospital? As I have said, sir—

**Mr Hamilton-Smith:** What page?

**The Hon. K.O. FOLEY:** Well, I do not actually carry my budget papers—but my colleagues do! It is the 2007-08 budget, page 34, \$1.677 billion.

**Ms Chapman:** That is the year before. What about last year's?

*Members interjecting:*

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

**The Hon. K.O. FOLEY:** You are idiots. That was the year it was announced: it would have to be in that budget! And here it is in Portfolio Statement, Budget Paper 4, Volume 2, page 7.13. Mr Speaker—

*Members interjecting:*

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

**The Hon. K.O. FOLEY:** I cannot see the point! I cannot give an answer to an important question with this noise.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** The Leader of the Opposition and the so-called deputy, or wannabe leader—I can walk over there, too, if I wasn't answering the question!

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** Mr Speaker, is the leader honestly suggesting that we plucked a number out of the air and that we haven't put it in the budget?

**Mr Williams:** Yep!

**The Hon. K.O. FOLEY:** Well, you are an idiot!

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** Sir, I am not answering these questions until I can have an audience that will listen—seriously!

**The SPEAKER:** Order! The house will come to order. The Treasurer does not assist me in containing them by repeatedly calling members idiots. The member for Norwood.

#### **EARTHQUAKE, ITALY**

**Ms CICCARELLO (Norwood) (14:40):** Will the Premier inform the house what South Australia is doing to help the Abruzzo earthquake victims?

**The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change) (14:40):** Yesterday morning the deadliest earthquake in 30 years hit Central Italy. It is the worst earthquake to hit Italy since the terrible tragedy in Campania (in 1981, I think), which devastated the city of Avellino and many other towns in Campania, including Molinara—towns and communities from which so many South Australian Italians emigrated. Of course, yesterday's earthquake was centred on the ancient city of L'Aquila, the capital of Abruzzo, which is a famous university and student town.

The earthquake registered 6.3 magnitude on the Richter scale. So far, 150 people have been confirmed dead, 1,500 have been injured and many tens of thousands of people are homeless. Indeed, I have even heard figures of up to 70,000 people being homeless. The Prime Minister of Italy, Silvio Berlusconi, has announced that tent cities will be created to house the homeless people from these earthquakes.

I am sure all members of this parliament would be aware of the very strong Abruzzo community here in South Australia, centred on the Abruzzo Club. The member for Norwood contacted me yesterday, and I understand that she has been having discussions with the Abruzzo Club about fundraising activities, which will be announced after a meeting tonight—a meeting which, I understand, involves Mr Tommaso Coniglio, the Consul General of Italy here in South Australia. I have spoken to the Consul General this morning. The South Australian government today committed \$100,000 to the Red Cross Appeal for the earthquake victims. Obviously, we will encourage and be part of the launch of a major fundraising drive, through both the Abruzzo Club and Italian Radio here in South Australia.

As most South Australians would realise, when we have been in difficult times during bushfires and other tragedies we have received enormous support from around the world. It is entirely appropriate that South Australians, this parliament and the government express our sympathy to the Italian people, particularly the people of the Abruzzo region. We will be strongly supportive of their relief efforts.

### WORKCOVER CORPORATION

**Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:43):** My question is to the Premier. How is it that under his leadership the unfunded liability of WorkCover, injury rates, return-to-work rates, compensation funding ratios and claim disputes have significantly underperformed the outcomes achieved in other states during financial conditions common to each state?

Last week the government publicly claimed that the 35 per cent increase in WorkCover's unfunded liability to over \$1.3 billion was due to the global financial crisis—which has affected all states—but, according to the most recent national comparison of compensation schemes conducted by the Australian Safety and Compensation Council, this state is the only state with an unfunded liability at all. South Australia has the highest rate of serious injury at 18 per 1,000 employees, South Australia is the only state or territory using the sole case manager model, South Australia is the only state or territory with a funding ratio less than 100 per cent, and South Australia has the second highest number of claims in dispute.

**The Hon. P. CAICA (Colton—Minister for Agriculture, Food and Fisheries, Minister for Industrial Relations, Minister for Forests, Minister for Regional Development) (14:45):** The simple fact is that the increase in the unfunded liability that we saw last week was a consequence of the economic times in which we find ourselves. In addition—I do not know, perhaps the leader's significant financial interests have performed better than anyone else's—I certainly know that anyone who has any money invested at this point in time in shares or cash is hurting very badly. This increase in unfunded liability was a consequence of the global financial crisis. The other points—

*Members interjecting:*

**The Hon. P. CAICA:** Sir, I only hope that they are interjecting as much tomorrow, and that the fund will go extremely well, unlike some of the funds that are under investment at this point in time. I hope tomorrow they interject the same way.

The reason that this parliament passed legislation last year is amongst, most importantly, the reasons that were identified by the opposition leader. The simple fact is that we have not had a WorkCover scheme that has operated in, certainly, the best interests of injured workers. It has not operated, most certainly, in returning people to work. That is why, as I understand it, the significant majority—and we do not reflect on votes—of the opposition supported that legislative change.

We are yet to see the full impact of that legislative change, but we are certainly expecting that, amongst other things, it will address poor performance in return to work and simultaneously address the unfunded liability.

This parliament in the majority was committed to that legislative change, and we are yet to see the full effect of that legislative change. To say that the unfunded liability, which was announced last week, was a consequence of anything else other than the global financial crisis is not being fair, it is not being reasonable and, indeed, it is not a very honest opinion.

### TRANSPLANT PATIENT

**Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (14:47):** Is the Minister for Health aware of the transplant kidney that was sacrificed last weekend as a result of an SA Ambulance bungle, and, if so, what action has been taken? The opposition has been informed that last weekend a kidney became available for transplant. SA Ambulance was requested to collect an elderly recipient, a Mount Gambier resident, and deliver him to the RFDS at the local airport. SA Ambulance decided not to disturb their representative in Mount Gambier and called a taxi to transport the man instead.

The taxidriver collected the recipient, and then stopped at the local police station, apparently to report a personal matter, and told the recipient to wait in the car. As a result, he missed the transport back to Adelaide, the kidney was wasted, and the recipient still waits in Mount Gambier for a kidney.

**The Hon. J.D. HILL (Kaurua—Minister for Health, Minister for the Southern Suburbs, Minister Assisting the Premier in the Arts) (14:48):** I thank the deputy leader for the question. I am not aware of the circumstances that she refers to. I will happily get a report. I would not want to make the judgments that she has made in asking that question. I will certainly check out the facts.

It would be regrettable if circumstances were such that a kidney, which had been donated, was wasted. I will point out to the house, though, that this year South Australia had a record number of organ donations, and we are now amongst the highest organ donors in the world. The success from the organ transplant schemes that we have in place in a number of our hospitals is absolutely outstanding. As I say, I am not aware of the circumstances she describes. I will get a report.

#### ROYAL ADELAIDE HOSPITAL

**Mr PICCOLO (Light) (14:49):** Can the Treasurer advise the house of the magnitude of the potential cost of the opposition's latest master plan for the new Royal Adelaide Hospital site?

*Members interjecting:*

**The SPEAKER:** Order! The Treasurer.

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (14:49):** I can, only to the extent to which one can try to ascertain what it is worth. As I said, we woke up yesterday morning to a blaze of glory of this vision, which I say now is nothing more than a path to bankruptcy in the middle of the worst financial crisis the world has seen since the Great Depression. It is likely to continue for at least another 12 months. Recessionary activity, globally and in Australia, could be with us until the end of 2010.

We have no knowledge yet when the downwards spiral of world financial markets will conclude, but we have a Leader of the Opposition who has proposed a \$1 billion-plus football stadium; a covering of the entire rail yards, which would be worth hundreds of millions of dollars; an amphitheatre and performing space; to knock down the Entertainment Centre and build a new one; an urban plaza; a science and technology centre; pedestrian walkways and bikeways; green space; educational wetlands; new pedestrian bridges; interpretive indigenous design; a sporting academy precinct; and we would also see a new centre for performing arts and an expansion of the Convention Centre. That would be in the multiple billions. It would be billions upon billions upon billions of dollars.

**Mr Hamilton-Smith:** Trillions.

**The Hon. K.O. FOLEY:** Trillions, he now says.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** I find it incredible that here I am, battling with the loss of \$1.6 billion-plus of GST revenue and our credit rating at risk because of the deterioration in our financial markets, and this guy comes out and says, 'I'm going to spend billions of dollars,' and *The Advertiser* does not show one piece of critical analysis: it welcomes it, and they try to tell us that they do not have an agenda. Absolute nonsense! They have an agenda. I will say this—

**Mrs Redmond:** That you're excited by it.

**The SPEAKER:** Order!

*Mr Pengilly interjecting:*

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

**The Hon. K.O. FOLEY:** I am managing—along with every state treasurer and the national treasurer, including the Western Australian treasurer, who is about to, or has already cancelled their \$1 billion-plus stadium—through the most difficult financial times this state and this country have seen since the Great Depression.

*Ms Chapman interjecting:*

**The Hon. K.O. FOLEY:** For \$200 million. I say that this is the most extraordinary announcement of a party in the middle of the worst financial crisis this nation or this globe has ever seen—and it gets platitudes in the daily *Advertiser*. I wonder why I bother. But, anyway—

**Mr Hamilton-Smith:** Are you under stress, Kevin?

**The Hon. K.O. FOLEY:** Under stress?

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** Am I under stress? Coming from him—the knives are out. Vickie will be there before the election. We know that.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** A week earlier, we saw an uncoded plan for the Royal Adelaide—maybe 300, maybe 800, maybe 1.4 billion.

**The Hon. P.F. Conlon:** What the heck.

**The Hon. K.O. FOLEY:** What the heck—chuck the money around. This is the important part that I think we really need to concentrate on, because as an alternate premier, we need to hear what he says. Just have a listen to how he contradicts himself. On 4 May 2008, the leader put out a press release called 'Stadium Proof'. Quote Martin Hamilton-Smith:

A sports stadium at City West would cost around \$520 million according to an independent firm of property and construction consultants.

**The Hon. P.F. Conlon:** Who would that be?

**The Hon. K.O. FOLEY:** We never found out who they were. But, wait—the next instalment: 27 October 2008, on ABC Radio—only a few months later:

The range of costs vary between around \$800 billion to \$1.2 billion, depending on what you go for.

So, what happened to the independent consultant who said \$500 billion? It is now up to \$1.2 billion. But, let's go on. On ABC—

**Mr Hamilton-Smith:** It was to rescope.

**The Hon. K.O. FOLEY:** Rescope, was it? On ABC Radio yesterday, he said:

It can be done. It can comfortably be afforded. It won't be built in months, or even a year or two—it will take time.

What does that mean: 'it's comfortably affordable'? Says who?

**Mr Hamilton-Smith:** All will be revealed.

**The Hon. K.O. FOLEY:** All will be revealed. Then he—

*Members interjecting:*

**The Hon. K.O. FOLEY:** Mr Speaker, can I have some protection?

**The SPEAKER:** Order!

*Mr Hamilton-Smith interjecting:*

**The SPEAKER:** Order, the Leader of the Opposition!

**The Hon. K.O. FOLEY:** Mr Speaker, can you have them listen in quiet, please? Can you attempt to do that?

*Members interjecting:*

**The SPEAKER:** Order! The interjections were coming as much from the government's side as they were from the opposition's side, particularly from the Attorney-General.

**The Hon. K.O. FOLEY:** It is very difficult to try to give an answer to the house when you are getting screamed at by members opposite, but I shall try. The leader goes on to say:

It will need to be a partnership between state and federal government. Local government, of course, will need to be involved and also the private sector.

Think this through. What he is saying is that the private sector could build the stadium part of it—or two-thirds of it, I think he said. If the private sector—you would have thought *The Advertiser* might have actually put this under some scrutiny but that would have been too much to ask—were to fund two-thirds of this stadium, that would mean that the private sector would have to have the cashbox; it would have to have the gate takings to have some revenue. If they have the revenue, the AFL and the SANFL will not want to go there because they already get the revenue all to themselves. So, they are not going to go there. Therefore, if you want—

**Ms CHAPMAN:** On a point of order, Mr Speaker, quite clearly, the Treasurer cannot even remember his own Dorothy Dixier. The question was to ask the Treasurer what his estimate of this proposal was, not to have a tirade and debate about what our proposal is.

**The SPEAKER:** Order! No, that was not the question. The question was what concerns the Deputy Premier had.

**The Hon. K.O. FOLEY:** Thank you, sir. Therefore, if you want to entice the AFL or the SANFL to the stadium you would have to allow them to take the gate which would mean the public sector would have to fund it completely. One would have thought that was an obvious question for *The Advertiser* to put to the Leader of the Opposition, but no, because it is not in their interests and because it spoils the agenda that it and the opposition have worked up on a city stadium.

I make this absolute firm commitment and statement: at present, this government is working through the worst financial crisis this state has ever seen. Our credit rating is at risk. We have lost \$1.6 billion-plus in GST revenue alone. Unemployment is rising. There will be less payroll tax, less stamp duty, less transactional taxes. This crisis that we are currently in will be with us for many years to come. The Leader of the Opposition's proposal of a multibillion dollar free-for-all spend is a road to bankruptcy.

Make no mistake: between now and the next election I will hound the Leader of the Opposition to make his costings, to tell us how he is going to pay for it and to tell us where this money is coming from, because the next election is about a solid government fit to govern in a financial crisis against a Leader of the Opposition who is on a road to bankruptcy, who would bankrupt the state just to get elected. It is a very stark choice: competent, solid, cautious financial management or recklessness, bankruptcy and oblivion from the opposition.

### SOLAR PANEL REBATE

**Mr WILLIAMS (MacKillop) (14:59):** I am delighted to direct my question to the Treasurer. Has your government refused solar panel rebates to pensioners who live in retirement villages because they do not own the land?

A letter from a retired couple who live in a transportable home in the Highview Holiday Village at Ardrossan states that their application for a rebate on solar panels installed on their home was rejected. The reason given by the government agency for the rejection was that, even though they owned the transportable home, they could not get the rebate because they did not own the land. Did you hear that, Treasurer? If you do not own the land you do not own the building?

*Members interjecting:*

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change) (15:00):** The Leader of the Opposition, when he gets red-faced and constantly looks up at the cameras, shows an insecurity, maybe even a lack of self-esteem.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. M.D. RANN:** I am very happy to answer questions about renewable energy because the fact of the matter is that, whilst we have 8 per cent of the population of Australia, we have 58 per cent of the wind power of Australia—more than all the other states put together—and

we also have over 30 per cent, I am told, of the solar power in people's homes. So, we have the greatest take-up by households of solar power in the nation.

*An honourable member interjecting:*

**The Hon. M.D. RANN:** Yes, it is the answer to the question; because, in order to benefit everyone, we have passed feed-in laws that pay people double for the power they put back into the grid. That is the best possible incentive. This parliament supported it, and it benefits those people who are part of the grid and feed back into the grid. That is the first feed-in law in Australia, and also it has helped produce the greatest take-up of the use of solar panels in Australia. So, for the Liberals, who do not give a damn about renewable energy, to criticise it beggars belief.

#### GENERAL MOTORS HOLDEN

**Mr GRIFFITHS (Goyder) (15:02):** My question is to the Treasurer. On what basis does he claim that a change of policy on the changeover periods for Fleet SA car purchases to assist General Motors Holden would cost the government \$45 million? When the government amended its policy in 2005 for changeover arrangements for Fleet SA vehicles from two years and 40,000 kilometres to three years and 60,000 kilometres, minister Wright claimed in a media release dated 8 June 2005 that the change in policy would save the taxpayer \$3.4 million per year by 2008-09. But in *The Advertiser* on Saturday 4 April 2009 the Treasurer, in commenting on a suggestion from the Leader of the Opposition for the policy to be reviewed, said he was not going to subsidise any company to the tune of \$45 million per year.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (15:03):** Again, this goes to the wont and habit of the Leader of the Opposition. He will just say whatever policy comes into his mind.

*Ms Chapman interjecting:*

**The SPEAKER:** Order! The Treasurer has the call.

**The Hon. K.O. FOLEY:** Thank you, Mr Speaker.

*Ms Chapman interjecting:*

**The SPEAKER:** Order! The deputy leader is warned.

**The Hon. K.O. FOLEY:** The advice comes from the Department of Treasury and Finance.

*An honourable member interjecting:*

**The Hon. K.O. FOLEY:** That's funny? The advice came from the Department of Treasury and Finance. The Leader of the Opposition's alternate plan was to go from changing vehicles over every 60,000 kilometres to every 30,000 kilometres. So, you would be turning them over twice as fast. As I said in my interviews, that number builds up, and I am advised that after two or three years that equates to \$45 million a year. That is how the Leader of the Opposition—

*Mr Hamilton-Smith interjecting:*

**The SPEAKER:** Order! The leader will come to order.

**The Hon. K.O. FOLEY:** That is how the Leader of the Opposition makes policy on the run. He does not get picked up for it, he does not get asked where the money is coming from or how he justifies his numbers. It just goes out into some ether. As I said, this government will keep this opposition accountable for every promise and commitment it makes—

**Mr Williams:** You're making it up.

**The SPEAKER:** Order!

**Mr Williams:** You're making it up.

**The SPEAKER:** Order, the member for MacKillop!

**The Hon. K.O. FOLEY:** What do you mean I am making it up?

**Mr Williams:** \$3.4 million, you said.

**The Hon. K.O. FOLEY:** It is a different thing. You are talking about a different issue.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** Again, sir, I am not going to try to answer this by screaming above the opposition.

*Members interjecting:*

**The SPEAKER:** Order!

**Mr HAMILTON-SMITH:** I have a supplementary question.

**The SPEAKER:** Order! The original question was asked by the member for Goyder. The member for Florey.

*Members interjecting:*

**The SPEAKER:** Order! The house will come to order. I have called the member for Florey.

### ENTERTAINMENT COMPLEX

**Ms BEDFORD (Florey) (15:05):** My question is to the Treasurer. Can he advise members about whether he is concerned about the opposition's plan to build an inner city football stadium and entertainment complex on a reported earthquake fault line?

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (15:05):** I had to point this out, because you would not read this one in *The Advertiser* or hear it on *Today Tonight*.

*Ms Chapman interjecting:*

**The Hon. P.F. Conlon:** She is still going on about the fault line.

**The Hon. K.O. FOLEY:** Can I say from the outset that while some conspiracy theorists at *Today Tonight* would like us to believe that the new hospital would be built on a fault line, through the process to scope the new hospital that will be built on the site geologists have advised the health minister that after undertaking extensive—

*Ms Chapman interjecting:*

**The SPEAKER:** The deputy leader is warned.

**The Hon. K.O. FOLEY:** —core samples there is no evidence of a fault line running through the site. That is the advice that we have. But let us assume that there is a fault line. Let us listen to the opposition.

*Members interjecting:*

**The Hon. K.O. FOLEY:** Well, we are told there is not but, as I said, you would not get this scrutiny from *The Advertiser* because it does not suit their argument. Last month the Deputy Leader of the Opposition again opposed the building of the new Royal Adelaide Hospital on the rail yards, this time stating, amongst her objections, that it would be wrong to build a new hospital on an earthquake fault line. On 23 March, the Deputy Leader of the Opposition told ABC 891:

...best way to make something earthquake proof is not put it on a fault line...of course it's completely reckless and irrational of the government to pick a site...right between the prison...and the railway site is a major fault line...

That is what she said about the hospital. Two days later she said:

We just say...be sensible, understand, building in flight paths, building near earthquake, adding to this risk is a dangerous, expensive alternative.

This is Vickie. But, of course, such concerns do not worry the Leader of the Opposition when it comes to him committing to building a stadium there.

**An honourable member:** And a concert hall.

**The Hon. K.O. FOLEY:** And a concert hall, an entertainment centre, a convention centre, a park and a science centre for kids. Listen to this guy, will you, this is what he said. This goes to the credibility of this man to be a future premier. When talking about a sports stadium that could at any time be holding 50,000 or 60,000 people, he said—



*Mr Hamilton-Smith interjecting:*

**The Hon. K.O. FOLEY:** He is saying it again: not 24 hour—so you have to be lucky.

*Mr Hamilton-Smith interjecting:*

**The Hon. K.O. FOLEY:** I would really like *The Advertiser* to pick up on this bit. Honestly, could we all listen in silence to how ridiculous his answer is:

We had one—

earthquake that is—

in the early fifties, so it is a risk to the city but...I'd rather take the risk...of a stadium that's used several times a week and is otherwise not full. I'd rather have that close to a fault line than a hospital with thousands of people working in it.

What a dangerous, reckless and damaging comment. So, if there was an earthquake and 50,000 people—his answer would be, 'Oh well, it was worth the risk.'

**An honourable member:** Bad luck.

**The Hon. K.O. FOLEY:** 'Bad luck. It was worth the risk.' What a ridiculous statement. It is unimaginable how somebody could justify that. In fact, last night, on that august TV show that is all about attacking the government, the conspiracy theorists, *Today Tonight*, he stated:

You can't escape it, it's Adelaide, we're all earthquake zone. What would I rather put close [to it]? I'd rather have a stadium than a hospital.

He would rather see 60,000 lives at risk, because he believes there is a fault line there, than a hospital. How illogical and bizarre is that? If the Adelaide Crows had been playing last Sunday at this new stadium, 42,000 people there at risk, he would have said that was—

*An honourable member interjecting:*

**The Hon. K.O. FOLEY:** —I might have agreed—an acceptable risk.

**The Hon. P.F. Conlon:** Yes, but not for Port supporters.

**The Hon. K.O. FOLEY:** I am not going to let Port supporters go there: I am not going to see those Port supporters put there. My plea to Adelaide's media is: can this guy be held accountable for what he says? Can he be held accountable for promising to put this state into bankruptcy—a guy who is quite happy to see a football stadium built and 60,000 lives at risk, but he does not want a hospital? It is illogical. If it is an earthquake fault line, according to him, he should not build anything there. His promise should be—

**Ms Chapman:** You're getting desperate.

**The Hon. K.O. FOLEY:** I'm getting desperate? I, for one, call into question the competency of the Leader of the Opposition to form a policy with such ridiculous statements. And if a statement like that is not worthy of scrutiny by Adelaide's written media of an alternate premier, I do not know what is—unless of course the printed media, the News Limited media, is so hell-bent on getting this stadium up that it will forgive the Leader of the Opposition for making stupid, ridiculous statements and for putting this state into bankruptcy. It will forgive any inadequacy of the Leader of the Opposition if it gets its stadium up. I think *The Advertiser* should hang its head in shame, and so should the Leader of the Opposition.

#### AUSTRALIAN TRAFFIC NETWORK

**Mrs REDMOND (Heysen) (15:11):** My question is to the Premier. Has the government paid or arranged to pay traffic reporting group the Australian Traffic Network to mention the Glenelg to Adelaide Parklands irrigation pipeline in its reports, and was that promotion to include regular mentions on the commercial-free ABC network?

**The Hon. P.F. CONLON (Elder—Minister for Transport, Minister for Infrastructure, Minister for Energy) (15:12):** My knowledge of this group is that it is a person, I think, who sits in the Norwood Traffic Control Centre (which the taxpayer pays for), free of charge, and gets information and provides it to the public. I have to say, rather than paying him, I am not sure that he should not be paying us, given that he sells that information commercially.

I would be surprised if that is the case. It is certainly news to me, and I assume that, as he is sitting in our control centre, I would know about it. However, let me stress that my understanding

of the relationship (and it was a surprise to me; I only really understood the relationship when I was asked a question on 891 a week or so ago) is that the fellow sits in there, courtesy of the taxpayer, paying nothing to us and charging for information that he provides to radio stations.

I think that is probably something worthy of review, but I do not know that we pay him for anything. I will certainly bring an answer back to the member. I am a little upset that he sells our taxpayers' information and makes money out of it. I will look into that for the member.

#### **TRANSPLANT PATIENT**

**Mrs GERAGHTY (Torrens) (15:13):** Will the Minister for Health provide further information about the Mount Gambier patient seeking a transplant?

**The Hon. J.D. HILL (Kaurana—Minister for Health, Minister for the Southern Suburbs, Minister Assisting the Premier in the Arts) (15:13):** Earlier in question time, the deputy leader asked me about a patient in Mount Gambier who was taken to the airport by taxi and, as a consequence of that, missed out on a transplant and the kidney organ was lost. Let me just go through the facts.

My staff has contacted Professor Graeme Russ, the transplant specialist from the QEH, and asked for his advice in relation to this matter. He informed me that the patient was taken to the airport by a taxi. He told us that that is often what happens, because these patients do not need medical attention on their way to receiving the transplant; they are in reasonable health except that they need a transplant. They do not need an ambulance to take them to the airport.

The airport, I gather, was shut and it was an after-hours arrangement, but the patient managed to get on the aeroplane, was transferred to the hospital and did receive the transplant. So this is a good news story, but it does raise the question: how does the Deputy Leader of the Opposition get it so wrong time and again? She either forgets to check the facts or she just plain makes it up.

#### **WORKCOVER CORPORATION**

**Dr McFETRIDGE (Morphett) (15:15):** My question is to the Minister for Industrial Relations. What is the impact of high WorkCover levies on jobs in local industries? According to the most recent national comparison of compensation schemes conducted by the Australian Safety and Compensation Council, South Australian employers pay the highest average workers compensation levy of any state or territory. The same document reveals that levy rates in iron and steel production businesses at 7.5 per cent were double the national industry average, and in the key construction industry our levy rates were higher than every mainland state or territory, except New South Wales.

**The Hon. P. CAICA (Colton—Minister for Agriculture, Food and Fisheries, Minister for Industrial Relations, Minister for Forests, Minister for Regional Development) (15:16):** There is no doubt, and it is well-known information, that we have a levy rate here in South Australia that, when compared to those on the eastern seaboard, is higher than we would like it to be. I think that is a view shared by not only the honourable member's core constituency but also most people involved with WorkCover.

Last week, a decision was made by the board for the status quo to prevail with respect to that levy rate. I believe that was a prudent and appropriate decision at this point in time, given the economic climate in which we find ourselves. Earlier I spoke in response to a question by the leader, and certainly we believe the legislative change adopted by this parliament last year, yet to be fully implemented, will have a positive impact on all aspects of WorkCover's operations, not the least being the levy rate going into the future.

#### **AIR WARFARE DESTROYER**

**Mr GRIFFITHS (Goyder) (15:17):** My question is to the Treasurer. Of the contracts already let as part of the air warfare destroyer project, will the Treasurer confirm the value of those contracts, how many have been awarded to interstate companies, and the value of those contracts let to interstate companies?

**The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (15:18):** I will take that question on notice and endeavour to get an answer as fully as I can, although it will be difficult because this is a federal government program and I do not know what information the commonwealth is prepared to release—

*Mr Hamilton-Smith interjecting:*

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

**The Hon. K.O. FOLEY:** We know the Leader of the Opposition, in one of the most extraordinary behaviours of a political leader, publicly campaigned for the American design to win, not the Spanish.

**Mr Hamilton-Smith:** It is better.

**The Hon. K.O. FOLEY:** It is better! He still says it is better! This guy wants to be a premier in a year's time sitting down with the Spanish, and he is already on the public record now saying that the Arleigh Burke was a better ship than Navantia's F100.

**Ms Chapman:** Tintin has not let you down?

**The Hon. K.O. FOLEY:** Tintin? John Howard actually appointed Navantia as the—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** I find it incredible. The Premier and I—and the Premier to a larger extent—meet with leading US prime contractors on a weekly basis. Only late yesterday we had the global head of IT&T here in Adelaide, one of the largest US defence companies. Last week the Premier and I had a very good meeting with the world-wide CEO of Lockheed Martin. We have had in Adelaide in the last three months the global CEO for Raytheon. We have had some of the largest prime US defence CEOs in Adelaide, discussing with our government ways in which to expand defence. The leader is someone who in a year's time could be sitting at those same dinners saying that the Navantia project is a lesser quality naval vessel. How reckless is that? That is reckless.

You cannot have credibility if you are bagging the company that has won the contract. That is a further example of why Mr Bankrupt over there is incompetent to be a leader of this state. He is incompetent to be a leader of this state because he does not even know how to deal with global companies and respect the awarding of contracts and moving on.

*Mr Hamilton-Smith interjecting:*

**The Hon. K.O. FOLEY:** I did well with Mitsubishi.

**The SPEAKER:** Order!

*Mr Hamilton-Smith interjecting:*

**The Hon. K.O. FOLEY:** I went with Ian Macfarlane, the former federal Liberal minister.

*Mr Hamilton-Smith interjecting:*

**The Hon. K.O. FOLEY:** I had a big hit? We all did what we could to save the company and in the end we were not successful. Ian Macfarlane and I regret that, but that is two sides of politics working together—a notion which is foreign to the Leader of the Opposition. In respect of the question from the shadow finance minister, I will endeavour to get the information for him. I know where he is going with this question. At present there is a tender out for modules. Some modules will be built by the ASC here in Adelaide and some modules will be built elsewhere in Australia.

*Mr Griffiths interjecting:*

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

*Mr Griffiths interjecting:*

**The Hon. K.O. FOLEY:** Well, they are modules actually. I deal with this project every day. Modules or blocks—hello? We have to accept that certain parcels of work will be let to other parts of the country. We have said from the outset that we believe that about 70 per cent of the project will be done here. I am told that two very good bids have been put together by two state-based consortia: ENI Equity and the Bianco Group have put in separate bids for the module work. Also, there have been tenders by Four Jacks, Tenex, BAE and others. Ultimately, that is a decision for the commonwealth government, not the state government. We do not yet know who will be successful. It may be that they go to interstate companies; we do not know.

What we do know is that consolidation is occurring here in South Australia. All the high value, high quality, high job paying work—the systems integration, the weapons systems, the radar and the electronics—to a large extent is being done here in South Australia. So, whichever way you look at it, this is a brilliant project for South Australia. I caution the opposition about knocking this project—which is part of their intent. In parliament today the leader has already attacked the ship lift. He is now saying that Navantia was not the right choice to build the ship, and we have got the shadow finance minister now sniping at it. It is a typical opposition. Leading into an election, they should try something novel and be constructive for a change.

### SCHOOL COMPUTERS

**Mr PISONI (Unley) (15:24):** Will the Minister for Education clarify the on costs funding for those schools that received computers in the first round of the secondary schools computer fund? Will these schools be receiving the extra \$1,500 per computer that the South Australian independent schools—

**The Hon. K.O. FOLEY:** I have a point of order, sir.

**The SPEAKER:** Order! The member for Unley will take his seat.

**The Hon. K.O. FOLEY:** The honourable member has to give an explanation for his question.

**The SPEAKER:** Order! Were you giving an explanation? I think the honourable member is still asking the question.

**Mr PISONI:** If I may continue, I am asking the question.

**The Hon. K.O. Foley:** It's a long question.

**Mr PISONI:** It is a long question. That's right, Treasurer, you are very observant. I will start the question again. Will the minister clarify the on costs funding for those schools that received computers in the first round of the secondary schools computer fund? Will these schools be receiving the extra \$1,500 per computer that South Australian independent schools and schools in other states received or will they be required to fund this infrastructure from their own budgets?

Schools have contacted my office after being told by the minister's department that associated infrastructure for new computers received in the first round will not be forthcoming from the minister, forcing them to fund their own infrastructure from maintenance budgets, parents' fees, or, alternatively, leaving their new computers in boxes. The minister has responded to these claims on radio by stating that she does not believe it is a 'big issue' or 'the end of civilisation as we know it'.

**The Hon. J.D. LOMAX-SMITH (Adelaide—Minister for Education, Minister for Mental Health and Substance Abuse, Minister for Tourism, Minister for the City of Adelaide) (15:25):** I thank the member for Unley for his question. He will persist in complaining about schools in Australia getting \$1 billion worth of funding for computers, and when the on costs are added in, again, he is opposed to that as well.

**Mr PISONI:** Point of order. The minister is introducing debate into the answer. I have simply asked whether or not schools will receive an extra \$1,500 in funding.

**The SPEAKER:** I do not think you 'simply' asked that question. I think the question was somewhat longer than just that simple question. The Minister for Education.

**The Hon. J.D. LOMAX-SMITH:** The reality is that, now, closer to \$2 billion of funding is to be spent by the federal government to buy computers for our schools for senior secondary education. This is an enormous investment, and all the member for Unley has done is denigrate it. He does not want the computers to go into schools. He has told stories about—

**Mr PISONI:** Point of order. Standing order 123: the minister is implying improper motives, and I ask that she withdraw her comments.

**The SPEAKER:** No. 'Improper motives' means that she would be alleging some criminal action on your part. I do not think she was doing that. The Minister for Education.

**The Hon. J.D. LOMAX-SMITH:** To assist the member for Unley, he mentioned standing order 123: no member be referred to by name. I certainly have not referred to him by name. Let me just make this entirely clear. The member for Unley does not support the massive investment by

the federal government in buying computers for senior secondary schools. He has done nothing but complain about it.

This, after all, is the party that voted against the Education Revolution, voted against more than \$14 billion for Australian schools. The only people who do not want new computers in senior secondary schools, the only people who do not want \$1 billion—I will say that again, \$1 billion—spent in South Australian schools are those opposite.

The stories that the member for Unley has told are purely unconscionable. He has told people constantly that private schools do not have to pay licence costs for computers—a fiction. Everyone has to pay licence fees—everyone. He has complained constantly about the cost of installing computers, as if it was not a gift from the federal government.

This state is receiving \$37 million—I will say it again, \$37 million—in on costs for the future round—\$37 million for the on costs in installing computers. If the member for Unley thinks we are not doing things efficiently, he should just reflect on the record that South Australia has in the first round of Building the Education Revolution School Pride funding. We are the only state—

**Mr PISONI:** Point of order. The question is quite specific: will schools be getting \$2,500 a computer, or not? It is quite specific. Round 1: yes or no, minister?

**The SPEAKER:** Order! The member for Unley will take his seat. The question was not specific at all. It was a very general question. The Minister for Education.

**The Hon. J.D. LOMAX-SMITH:** As I said, we are the only state that has been so well organised that 100 per cent of our applications from the public sector and the non-government sector (both Catholic and independent) have been received and ticked off by the federal government, because we actually comply with all the rules and all the regulations.

Whatever the member for Unley says, the funding package across the country was set down by the federal minister. The implication that South Australia has been duded is a nonsense, because private schools have to pay licence fees just like public schools. Some private schools have had to put cabling in and some have had to get licences, and some have not. There is a variation across the system.

What I can tell you about South Australian government schools is that we have been working with our schools to bulk buy computers to get them at the lowest cost, which has left us with funds that we can use to cover licences and cabling. If there are any schools that have a genuine issue with the way they have been installed, we can resolve them. But let us say that, at the end of the day, the good news is an extraordinarily large number of computers have been bought across many schools in South Australia, and they have computers they would not otherwise have had.

The other piece of good news that the member for Unley does not like is that we are ahead of schedule compared to other states. The other story that the member for Unley does not like to hear—which is the truth—is that we are ahead of schedule and things are rolling out very well with our Building the Education Revolution. The reality is that, with the funding that is going out to schools, every dollar is being invested as it comes into the department; it is being spent economically and efficiently. If he does not like investment in schools, he should just say so.

## GRIEVANCE DEBATE

### MULTICULTURAL AFFAIRS MINISTER

**Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (15:31):** In this grievance I want to draw the attention of the house to the behaviour of the Minister for Multicultural Affairs, and I ask that this grievance be badged accordingly. On 18 March 2009, Senator Alan Ferguson addressed the federal parliament as a private member in an adjournment debate directed to the Turkish-Australian community—

*The Hon. M.J. Atkinson interjecting:*

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

**Mr HAMILTON-SMITH:** —on the occasion of the 40<sup>th</sup> anniversary of the formal agreement between the commonwealth government of Australia and the government of Turkey concerning residents—

*The Hon. M.J. Atkinson interjecting:*

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

**Mr HAMILTON-SMITH:** —and the employment of Turkish citizens in Australia. In that debate, Senator Ferguson made statements which in my view are factually incorrect and quite hurtful to Australians of Greek and Armenian descent. He claimed that horrific acts perpetrated by the Ottomans, and others, against Armenians and Greeks—in particular the Pontian Greeks—were 'debatable issues' and were events that 'cannot be accurately depicted'.

I completely distance myself and the state Liberals from Senator Ferguson's remarks, which were his alone and which were made as an independent member in the context of a broader debate. The plain truth of history is that those events not only occurred, but live on in the hearts of the children of those who suffered as a result of the Turkish removal of the Greeks of Pontus and Asia Minor and from the Aegean coast. Senator Ferguson's remarks are not the policy of the Liberal Party, federal or state, and were not presented as such. They were expressed as the views of Senator Ferguson alone.

*Members interjecting:*

**Mr HAMILTON-SMITH:** The events that have followed Senator Ferguson's address to the Senate—in particular the way in which it has been dealt with by the Minister for Multicultural Affairs, the Hon. Mr Atkinson—have further hurt Australians of not only Greek and Armenian descent, but also of Turkish descent.

**The Hon. M.J. ATKINSON:** Point of order.

**Mr HAMILTON-SMITH:** The member for Croydon produced a politically—

**The DEPUTY SPEAKER:** Order! The Attorney has a point of order.

**The Hon. M.J. ATKINSON:** The member for Finniss just shouted across the chamber, 'Shut up, you idiot,' and I ask him to withdraw.

*Mr Pisoni interjecting:*

**The DEPUTY SPEAKER:** Order!

*An honourable member interjecting:*

**The DEPUTY SPEAKER:** Order! Member for Finniss, do you propose to withdraw?

**Mr PENGILLY:** No. He is assuming that I was referring to him. If he agrees with me, we are on the right wavelength.

*Members interjecting:*

**The DEPUTY SPEAKER:** Order! It is not unparliamentary. I invited the member to withdraw. The leader.

**Mr HAMILTON-SMITH:** The member for Croydon produced a politically pointed media release designed to inflame and antagonise Australians of Greek, Armenian and Turkish origin. In his media release, the minister set out to misrepresent Senator Ferguson's views as the official views of the Liberal Party in the full knowledge that this was untrue. The Labor minister then fabricated a letterhead which purported to be a creation of the Liberal Party of Australia and, using that letterhead, sent copies of Senator Ferguson's speech to Greek households.

His aim was to inflame, anger and cause hatred. The opposition was advised that some of these letters, with false Liberal badging, did not identify the fact that they were sent by the Labor Party for political effect. Recipients may not have known from whom the letters originated.

The spirit of multiculturalism in Australia has always been one of bipartisanship. Labor and Liberal MPs have always sought to unite rather than divide and to heal rather than open wounds. MPs of all political persuasions have embraced the symbol of harmony embodied in a multicultural Australia. It is one thing to disagree with Senator Ferguson's remarks, as clearly both the minister and I do, but it is another thing to seek to make cheap political capital out of the remarks through exaggeration, inflammatory language and false representation of written material in an effort to seek political favour.

To any Australians of Greek, Armenian or Turkish origin who have been hurt by Senator Ferguson's remarks, I express my empathy and concern. To many of the same Australians who have been as deeply hurt by minister Atkinson, I profoundly apologise as a member of parliament.

It hurts me to know that this parliament has ministers who could act so insensitively over such tragic matters.

Certain remarks made by Senator Ferguson on 18 March were ill-informed, inaccurate and painful. Along with all state Liberals I reject them fully. I have spoken to the senator who has since, both in writing and in public expressed his deep sorrow that aspects of his speech caused offence. I trust that minister Atkinson will also write to leaders of Greek, Armenian and Turkish communities and explain truthfully and factually his role in inflaming these painful tensions for political gain. The true spirit of multiculturalism requires a better standard of behaviour from us all—Senator Ferguson and minister Atkinson included.

The Greeks are a savvy and an astute part of the Australian community. They know when people are being genuine and when they are being disingenuous. I hope that leaders of the Greek community will ensure, through their newsletters and community gatherings, that the mischief and misrepresentation that has been made by this minister is clarified and explained.

*Members interjecting:*

**The DEPUTY SPEAKER:** Order!

*Mr Hamilton-Smith interjecting:*

**The DEPUTY SPEAKER:** Order! The Leader of the Opposition will take his seat.

**The Hon. M.J. Atkinson:** You are a joke.

**The DEPUTY SPEAKER:** Attorney!

*Members interjecting:*

**The DEPUTY SPEAKER:** Attorney!

#### CYCLING

**Ms CICCARELLO (Norwood) (15:37):** Recently I spoke about the state of cycling in South Australia and how proud I was that Adelaide is now recognised as the undisputed cycling capital of Australia. Events such as the wildly successful Tour Down Under and the Australian Track Championships, as well as the positive initiatives of the state government in respect to city bike paths, BikeDirect maps, criterium tracks and riding trails have forged for us a peerless reputation.

Adelaide has been blessed with a geography which is ideal for cyclists and there is no doubt that cycling is an activity that contributes significant health, environment, economic and social benefits for all South Australians. With Adelaide now a mecca for cyclists everywhere and with recent examples of dangerous driving headlining the news, it is a great time to talk about the safety of cyclists on our roads.

As a lifetime bike rider, it is very obvious that with the inevitable increase in traffic driver behaviour is, unfortunately, becoming at its best discourteous and at its worst aggressive and downright perilous. My staff members and I, all of whom cycle, not to mention many of my constituents, have experienced alarming incidents recently due to bad or ignorant driver behaviour.

It has been interesting to hear some anecdotes in the past week or two from Amber Halliday, who has been doing some relief work in my office and who is in the gallery today, along with Shane Kelly, a four-time world champion. Amber is a world champion and Olympic rower who has recently changed track to become an elite cyclist. She has been riding on Adelaide's roads for many years.

In 2004, on her way to rowing training, Amber was knocked off her bike by a car. At the time she was travelling in a bike lane and observing the road rules. After much injury rehabilitation she did make it to the Athens Olympics where she achieved a fourth place. Amber tells me that she often wonders what might have been. This has, obviously, not kept her off the bike so she is well placed to express some concerns on behalf of Adelaide's cycling community about poor driving behaviour and ignorance.

Amber has suggested that simple driving schools and rules relevant to cyclists should be taught to new drivers and incorporated into the theory test for a learner's permit, and I agree with her. How many motorists know the theory and practice of simple skills like how to overtake bicycles safely? How many remember to check mirrors before opening car doors and have a good look for cyclists when entering an intersection or a roundabout?

Amber also raised concerns that many current drivers seem to be unaware of the rights of cyclists such as the right to use the road and to ride two abreast on the road. She informed me that her South Australian Sports Institute squad often receives abuse from motorists for riding side-by-side. The Road Traffic Act defines bicycles as vehicles, and, therefore, cyclists have a legitimate right to use our roads. By the same token, just like motor vehicle drivers, cyclists have a responsibility to obey the road rules.

Each year, around 460 incidents involving injuries to cyclists are reported to SA Police, and I suspect that many more go unreported. Of these, 61 were incidents where cyclists were seriously injured and four were fatalities. According to data from the Monash University Accident Research Centre, more than 91 per cent of injuries to SA cyclists involve a motor vehicle and the vast majority of these accidents occur at peak times Monday to Friday.

The state government's Share the Road campaign addressed some of these issues that I have mentioned but, in the near future, I will be raising the issue of incorporating some more cycling-specific questions into the driving test with the transport minister, who I should mention is a keen cyclist himself.

The state government has an excellent cycling strategy, Safety in Numbers, and it also produces high quality safe cycling publications which are available for download from its website. But is the message getting through? Perhaps we should be sending these pamphlets with every licence renewal and giving them to everyone who purchases a bicycle. Certainly, the owners of Trak Cycles and Norwood Parade Cycles on The Parade thought it was a good idea.

Australians have bought more bicycles than motor vehicles in the past six years. We are home to over 200,000 cyclists and, therefore, it is imperative that we continue and expand awareness and education of the rights of cyclists and drivers on the road. I know that many people are fearful of cycling on the road, and this is a huge shame which must be addressed. The benefits of a safer environment for Adelaide's cyclists are many: better health for our citizens, a better environment for our future, and freeing up public transport and traffic congestion for other commuters.

Finally, if we continue to make it safe for cyclists to ride our roads, we can continue to market Adelaide genuinely as the cycling friendly city it ought to be. I congratulate Amber Halliday for recently having been given the Amy Gillett scholarship. Amber is following in her footsteps. I wish her luck when next week she travels overseas to China and, later in the year, she will also be travelling to Italy to ride in the Giro d'Italia.

#### **DRIVER'S LICENCES**

**Mrs REDMOND (Heysen) (15:43):** I rise today to bring to the attention of the house—and I am sure it will be of interest to all members who might want to warn their own constituents—a matter that has been brought to my attention by a constituent who was about to lose her driver's licence because of doing her points over the 50 km/h zones. She is a very sedate driver (a very good driver) with no previous driving problems, but because of the 50 km/h zones—

*An honourable member interjecting:*

**Mrs REDMOND:** It is not about 50 km/h zones; I am just explaining the background. This lady, who has been a sedate driver with no problems in the background, has now got to the point where she is about to lose her licence. These days, instead of losing your licence, you can take what is called a good behaviour option. This lady took the good behaviour option. From November 2007 until November 2008, therefore, she was required to be of good behaviour—like any other good behaviour bond when you cannot have any offences—and that period expired and that was fine.

The problem arose when in January this year she had a very minor car accident. When she went to claim on her insurance, which she has had with RAA Insurance for some 30 years and which she pays monthly by automatic debit from her bank account, they said, 'We don't insure you. You should have told us about this good behaviour option.'

She appealed and recently got a letter back from the dispute resolution committee on the internal review of this decision and, amongst other things, it stated that the committee agreed that a reasonable person in the circumstances could be expected to know this good behaviour option to be a matter so relevant. They went on to say that, if she had disclosed the good behaviour option on the renewal of her policy in July 2008, RAA Insurance would have declined to insure her as the driver of the risk vehicle on any terms whatsoever.



Like this lady, I pay my insurance by the month by automatic deduction and, like her, I have the habit, when the insurance renewal comes in, of checking to make sure that it is the right vehicle, just as I check to make sure that the premium has not gone up too high; but, if I have not lost my licence, quite frankly, unless there was something on the front of the document saying, 'Are you aware that if you have had even a good behaviour option, you are not insured', I would not be aware of this.

So, the outcome for this lady has been that they have then said, 'Okay, in view of the fact that you have been a 30 year customer, we will review this. We won't give you the insurance, but we will allow you take out an alternative insurance.' The alternative insurance has an excess for her of about \$1,250 and another \$1,250 on the vehicle, and backdated premiums to July last year, which come to as much as the problem with the car, because it was a relatively minor bingle in the first place.

As a result of these few indiscretions with the 50 to 60 zones—and, as I said, I am not trying to debate that issue today, but it is someone who is a good driver, who does not have a bad driving history, and who has then got to the point of doing her points—she then has the good behaviour option and unbeknownst to her is uninsured for her vehicle from when the renewal came in.

I suspect that everyone of us would find people in our electorates who were in that same circumstance, where they have taken the good behaviour option, they have not been aware when their renewal has come in, because it is an automatic deduction-type policy that goes up a bit each year, of the fact that they are no longer insured. They are driving around thinking that they are insured and until they have an experience like my constituent they are not going to become aware of this fact about their insurance company, and whilst this was RAA I have a suspicion that all the insurance companies have this same attitude.

My view is that, firstly, not only should they not be accepting the premiums but they should, in fact, be putting this in bold letters somewhere so that when your renewal comes in it states that, 'If you have taken the good behaviour option—not just if you have lost your licence, but if you have taken the good behaviour option so you have continued to have your licence—we will consider you to be non-insurable and there is no point in you even contemplating trying to get insurance with us because we would have declined to insure you as a driver of the risk vehicle on any terms whatsoever.'

So, notwithstanding that you have been with them for 30 years and that you may have an otherwise unblemished record in terms of claims from them or anything like that, no matter what you could produce as evidence—and this lady put in to the dispute resolution committee (an internal committee) a letter explaining the fact that she and her husband had both been long-term customers—there is nothing from this insurance company.

### **AFFORDABLE HOUSING**

**The Hon. L. STEVENS (Little Para) (15:47):** Today I would like to congratulate the Salisbury council and a number of organisations that combined together to bring to fruition a pilot program to provide affordable housing in a very innovative way in the Salisbury council area.

This program was announced in November 2007, when the City of Salisbury endorsed the development of an affordable housing strategy for its area. There were two main areas of housing to which the council was interested in providing some assistance. One was the provision of affordable homes for purchase by low to very moderate income earners, and the other was the provision of affordable retirement dwellings for older residents.

The function that I attended a couple of weeks or so ago was about the affordable housing for purchase by low to very moderate income earners. Essentially, what has happened is that the core of the pilot was for Salisbury council to supply surplus council land for homeowners who would not have to pay for the land until the property that they had purchased is sold into the future, with the council to share in the capital gain of that land over that time.

The City of Salisbury recognised that, even though it is the fastest growing LGA in the metropolitan area, it has a higher gross regional productivity and higher rate of employment growth in Adelaide overall. What it found was that, with its rapidly expanding economy, people were looking to take advantage of affordable housing. It also found that, while job opportunities continue to be created in its area, national and international trends in housing affordability have placed home

ownership out of the reach of many existing and potential residents of Salisbury, where the median household gross income is \$42,000 per annum.

So, the council went about trying to work out how it could, in fact, provide something that would appeal to a large number of its residents—and, in this case, first home buyers. To qualify for this purchase, a person had to be a first home buyer, they had to live or work in Salisbury and they had to have an annual household income of less than \$59,000 per annum. The council held discussions with the state government's Affordable Housing Innovations Unit about how it could facilitate home purchase in accordance with council's endorsement of 2007. It then had subsequent negotiations with HomeStart finance to develop a funding model that uses council-owned land in a shared equity mortgage scheme.

In brief, with respect to this scheme, the council's upfront contribution is a portion of the land value, which means that the potential purchaser's borrowing power is significantly enhanced, and the scheme enables them to achieve home ownership when such a goal would otherwise be unlikely to be achieved. The cost of the land is repaid when the home is sold or if the purchaser chooses to pay it out as he or she acquires more equity in the property.

I attended the launch of 11 properties that have been constructed by McCracken Homes in Dansie Crescent, Brahma Lodge. Salisbury council has received many applications of interest with respect to the project, and it expects to repeat it in various other areas across the Salisbury area. I commend and congratulate the council on the initiative.

### DAIRY INDUSTRY

**Mr PENGILLY (Finniss) (15:52):** Today I draw to the attention of the house the critical situation facing the dairy farmers of South Australia, in particular, but I will also go on to talk about primary industry generally. Last week, the Warrnambool Cheese and Butter company announced a dramatic price reduction in the price of milk per litre—down to, I understand, 18¢ per litre, with the price dropping to 13¢ a litre in about June.

There are about 300 dairy farmers in South Australia—and I think we already know what happened to the dairy farmers on the Narrung Peninsula. However, about 100 dairy farmers operate on the Fleurieu Peninsula, which is an area of guaranteed high rainfall and regular production, and they are an integral and core part of the farming community and primary industry in South Australia, particularly for the Fleurieu Peninsula.

These dairy farmers employ a countless number of staff. For example, I am aware of one dairy farmer who employs a labour force of up to 15 on a casual basis. They have to secure vast amounts of feed to get them through the dry months. They incur considerable costs in electricity and/or diesel for irrigation purposes to produce green feed during the dry months, which can last for six or seven months. If people visit the Fleurieu at the moment, they will see irrigators going here, there and everywhere in an effort to keep up the production of milk.

What does this mean for South Australia? It means that many of these dairy farmers are in such a diabolical position following the collapse of the milk price that, basically, they will be forced to walk off their properties. Generations of farm owners cannot continue. Prices are way below the cost of production and, quite simply, it is totally impossible for them to continue being dairy farmers.

So, what will that do? In some cases they may turn to beef, sheep or some other pursuit. They may choose to just walk off, go away and do something else. However, what it has led to over many years is that dairy farms, and farms in general, have been subdivided and carved up and are becoming hobby farms. This valuable high production and high rainfall country does not produce with the same intensity as in the past.

This breaks down the fabric of rural life—and it is no reflection on those who come into the Fleurieu, but many of them do not understand the country way of life. They do not get involved to the same extent as many farming families have and they do not continue to support the community in the manner that many farming families have. As I say, it is no reflection on them, but they just do not understand that country life revolves around farming and rural communities and, unfortunately, it makes it very tough to continue. Schools and sporting clubs suffer—and on it goes.

We all know that we are in extremely tough times. We know about the world financial crisis—we get it rammed down our throats daily. We also know we will take a while to get out of it. It is absolutely vital that our dairy industry continues in South Australia and gets through to when the reasonable returns and good times come back.

I call on the Rann Labor government to make a decision as to whether it wants farmers in South Australia—more particularly, in this case, dairy farmers on the Fleurieu Peninsula, who have not much room to move regarding where they sell their milk, or anything else. I call on the government to get active and do something about it. I call on the minister and/or the Premier to meet with the dairy farmers as a matter of urgency and work out some ways so that they can survive and continue into the future.

I do not want to see the Fleurieu—or, indeed, my electorate—decimated by farmers having to walk off their properties because of tough times. There are a number of milk companies around. About 40 per cent of the milk on the Fleurieu is sold to Warrnambool Cheese & Butter—I am aware of that—and there are some other firms that some may be able to go to but, unfortunately, we do not know where this current situation will lead, and we do not know what is going to happen to the other milk factories.

Time expired.

### OPERATION FLINDERS FOUNDATION

**Mr PICCOLO (Light) (15:58):** The Operation Flinders Foundation has been operating in South Australia for the past 16 years. As members of the house would know, the program works with young offenders and other young people at risk between the ages of 14 and 18 years. The foundation runs an eight-day program in the Northern Flinders Ranges of South Australia which includes field exercises that achieve the primary objective of placing participants in a remote outdoor environment where self-discipline, teamwork, cooperation, leadership and trust are intrinsic to survival.

For eight days, participants are placed in an environment that provides only for their basic needs of life. They face challenges as individuals and as part of a team, and a significant majority pass with flying colours. The project offers demanding outdoor challenges and ongoing support to help participants to develop their personal attitudes and values of self-esteem, motivation, teamwork, goal-setting and community responsibility so that they can grow as valued people.

The program relies upon the support of 350 volunteers who provide assistance to the foundation in a range of ways, from packing food rations and driving vehicles to serving on committees or the board of management. The overall cost of crime in Australia is nearly \$32 billion per year (nearly \$1,600 per person), which is roughly about 5 per cent of GDP.

A paper by the Business Council of Australia published in *The Adelaide Review* noted that, of 270,000 young South Australians who left school in 2002, one-third had not completed year 12. Estimates by the Princeton Institute of Labour found that for every year a person remained at school after year 10 there was an increment in their earnings of 7 per cent. This research also found that of the people who completed year 12, only 7 per cent were unemployed after seven years of leaving school, whereas of those who completed only year 9 some 21 per cent of males and 59 per cent of females were unemployed at the seven year mark.

The Business Council paper estimates that if 90 per cent of those who left school each year had completed year 12 it would add \$1.8 billion to GDP but, more importantly, it would contribute to a one-off reduction in welfare costs of \$10.8 billion and more meaningful lives for the young people and their families.

The success of Operation Flinders in South Australia has been recognised by a number of different methods. Over 3,500 young people have participated in the program since its inception in 1991. An independent evaluation of the Operation Flinders program indicated that the young people who participated in the program recorded a significant improvement in attitude towards school and felt encouraged to remain at school or return to school. Both the evaluation and anecdotal evidence found that the young people who completed the program were less likely to commit crime. The Operation Flinders program has been found to be an effective crime prevention initiative, as well as a very positive influence in encouraging young program participants to remain at school.

In 2008 Operation Flinders won an award for excellence in the 2008 National Crime and Violence Prevention Awards, presented by the Australian Ministerial Council for Police and Emergency Services. The foundation's work is financially supported by this state government, with annual grants from the Attorney-General's Department as part of its crime prevention program.

In recent years, Operation Flinders has set up a number of community chapters in both metropolitan and country regions of South Australia. These chapters, which are in response to a

community request, are usually set up through service clubs, local government and businesses. I was a member of one of those committees in its early days.

The committee raises funds to send a team of young people to participate in the Operation Flinders program, identifying the young people and suitable support staff for them. Some 10 days ago the Gawler chapter of Operation Flinders held its annual fundraiser to enable teams of young people to attend the program. The event raised over \$17,000, thus enabling the chapter to support the inclusion of 15 young people in the program.

I acknowledge the commitment and hard work of members of the current and previous committees of the Gawler chapter. The current committee, comprising Mr Ashley Mau (Chapter Chair), Michelle Cockshell (Secretary), Jenne Ellis-Kells (Treasurer) and members Nancy Mitchell and Anwen Ackland, have worked tirelessly to raise funds to support young people in the community.

Over the past six years the Gawler chapter has raised over \$140,000, allowing 140 young people to complete the program. The committee of the chapter—all volunteers—contact most businesses in the Gawler region who generously provide goods and services to be auctioned on the night to raise the necessary funds.

I believe this community support reflects the fact that the people of Gawler care about their young people and, more importantly, accept responsibility for them. They are prepared to assist them to participate in the Operation Flinders program in order to get them back on track. I commend the work of the foundation to the house.

Time expired.

#### OMBUDSMAN

The Legislative Council passed the following resolution to which it desires the concurrence of the House of Assembly:

That a recommendation be made to His Excellency the Governor to appoint Mr Richard Bingham to the Office of the Ombudsman.

#### SUPPLY BILL

Adjourned debate on second reading (resumed on motion).

(Continued from page 2191.)

**Mrs REDMOND (Heysen) (16:04):** It is my pleasure to make a few comments on this bill, although I do not know whether the word 'pleasure' should be applied to what has occurred in this state under this Labor government for the last seven years. In fact, I am reminded that on Friday mornings on ABC 891 they have a session called 'The Spin Cycle'. Every week we hear a little excerpt of the Leader of the Opposition, commenting on the achievements of this government since it came to office and saying, 'It is a soulless exercise.' That is a good reminder because it is very true. It is a soulless exercise. Notwithstanding what the Premier tried to say in answer to a Dorothy Dixier today, the fact is that this government has enjoyed the best of economic times. It has had unprecedented amounts of windfall, well over and above budget, and even its budget numbers are unprecedented, yet we have so little to show for it in this state.

Of course, the budget papers and, indeed, the comments of the Treasurer constantly try to make out that we are in a situation of declining incomes because of the global financial crisis. No-one would deny that the global financial crisis is reaching everywhere. On the radio last night as I arrived at a Rotary meeting, I heard the federal Treasurer saying that when he is overseas all the other countries are saying that they would like to change places with Australia. So, we have a federal Labor treasurer saying that Australia is in a much better position than most other countries.

It is important to note that, in spite of the global financial crisis over the past few months, although it may be lower than expected, our income has continued to increase. Indeed, if one looks at our situation, we have had increasing income but spiralling out of control expenses. Therein lies the problem—which will become worse because of this government's failure to manage the economy of this state. I guess no-one would mind some degree of mismanagement if at the end of the day we had some real infrastructure to show for the expenditure, but we have nothing to show for the expenditure.

Indeed, it is the case that we are now well and truly in deficit. This government prided itself on saying that year after year they were running surplus budgets. Of course, they did start out

talking about being in surplus, and then they had to change the way they measured their deficits. In terms of the net lending deficit, as they used to organise it, in 2002, they said they were going to base their lending and borrowing as the measure of their budget results.

So, at first it was lending and borrowing, but, if they were still using that, by 2008-09 they would have had a net lending deficit of \$819 million. Of course, that was not going to be acceptable, so then the government decided that they would change the way they looked at that, and, instead of a net lending deficit, they moved to assessing their net operating deficit. When they did that change, it was still probably in surplus, but they did then turn it over and it became a net operating deficit. But, even that, as I said, is now in deficit to the tune of \$112 million. All of these have worsened, by the way, since the Mid-Year Budget Review.

We now have this deficit situation which is just spiralling and spiralling. When we look at the sorts of things that the Leader of the Opposition was talking about before lunch, the sorts of areas where, instead of actually managing this government in terms of its income, this government has become more and more dependent on receiving ever increasing amounts of income, and that is just not going to happen. So, what we now have is all sorts of areas where we have massive unfunded liability.

The unfunded liability for our state superannuation has blown out from—it is already bad enough, I thought—\$5.1 billion in the 2006-07 to \$9.3 billion in 2008-09. That is pretty bad. When we add to that, of course, WorkCover investments and WorkCover's unfunded liability, which, again, I think was mentioned by the Leader of the Opposition in his address this morning, their unfunded liability is already at the point of about \$1.3 billion. On top of that, of course, that does not cover state public servants and the unfunded liability under that separate scheme, so we are getting up around the \$1.8 or \$1.9 billion when we total those together.

Then we look at what has happened to the value of investments. I agree that the value of investments is, to some extent, out of the control of the people who are charged with the responsibility of managing those investments. But, when you look at the fact that WorkCover investments have gone down from \$1.3 billion, they have fallen \$314 million, and Funds SA's investments of \$14.1 billion have fallen by \$3.7 billion. These are massive numbers.

I think it was the member for Goyder, in his address this morning, who mentioned the fact that we should never take lightly these numbers. These are massive numbers. It is very easy to slip from millions to billions, and even trillions, as they are doing on the world stage at the moment, but these are massive amounts of money in terms of this state's finances.

In the forward estimates, we are looking at a budget overall for the state in the area of \$15 billion, and yet Funds SA's investments are going from not much shy of that—\$14.1 billion, down by \$3.7 billion. We have a situation where we now have a budget deficit. It does not matter how you measure it, this government now has us in a budget deficit, and we have these unbudgeted revenues that they have been relying on.

Even when Ken MacPherson was the Auditor-General, he said, 'Look, you need to be aware that you seem to be becoming reliant on this cash cow that just isn't going to stay there.' Anyone could have seen that the bubble had to burst at some time. Rather than putting aside for a rainy day, rather than shoring us up against the eventual burst of that bubble, what this government has done is simply rely on getting more and more money.

Now, because investments are going down, where do they look to next? They look to increasing taxes. I want to spend a minute looking at the taxes that this state government charges. It has already been pointed out by a couple of earlier speakers that we are basically the hardest taxed state. In fact, the last year that the Liberal government was in power—2001-02—was the last year that we were not the most severely taxed state.

In terms of the areas in which the taxes are levied so heavily, first of all, I want to look at payroll tax. Payroll tax is an area where I have consistent complaints to my office because of the number of small businesses upon whom this tax impacts so unfairly. I will refer to a schedule, and I will provide it to Hansard afterwards. Essentially, the payroll tax applicable at various levels is so disproportionate that it makes South Australia an almost impossible place, I think, to entice business to come to.

When you look at the fact that most of the businesses in South Australia are small to medium enterprises (SMEs), most of the 85,000 businesses in this state would come under the \$1 million mark in terms of their payroll. If they were running that business in Queensland, with a

\$1 million payroll, they would not pay any payroll tax at all. Their payroll tax does not kick in until \$2 million as the total payroll bill. And, even then, their payroll tax kicks in at well under the figure in South Australia. But, if you are in South Australia, and you have a payroll of \$1 million, you are going to be liable for \$22,400 in payroll tax.

In anyone's thinking, it seems to me that payroll tax can be nothing more than a disincentive for employment. Indeed, I know people in my electorate who have said to me, 'I will not put on any more staff, because I know that if I do I'm going to breach the payroll tax threshold'—which in this state is a lot lower than in the other states—'and as soon as I breach that payroll tax threshold I then have to start paying this iniquitous tax.' It is simply a disincentive for people to engage extra employees.

Payroll tax is one area. I want to look at the amount of stamp duty charged in this state compared to particularly a state like Queensland. Remember that, when Mitsubishi here was closed, Queensland made a real push to take people from here and say to them, 'We can give you a job. Come to Queensland. We'll take you from here, where you haven't got a job, and we'll give you a job in Queensland.' If they bought a house in Queensland for \$400,000—bearing in mind that in this state, at least, the average price of a house is about \$350,000 these days—they would pay \$5,250 in stamp duty on that purchase. If they bought a house for \$400,000 in this state, they would pay more than three times that amount: they would pay \$16,330 just in stamp duty, just to buy a house.

Then we come to the area of land tax, where the figures are so disproportionate compared to the other states that it is just ridiculous. If, for instance, you have land in this state valued at \$2 million in total, you are going to pay nearly \$50,000 in land tax—\$48,420. I will not go into the detail of some of the iniquitous provisions regarding multiple holdings and the Land Tax Office assessing what the building might be worth on the basis of its assessment—untrained as it might be—and what its commercial rental value might be, and so on. Nearly \$50,000 just to pay the land tax, whereas, in Western Australia, for instance, you would be up for \$5,700. It is just an astonishing difference in terms of the taxes levied in the state. It is no wonder that it is well known that South Australia has the most punitive tax regime of all the states.

That is clearly how this government has come to the conclusion that it should raise its revenues. It has decided that, if it cannot get them from somewhere else, it will just have to keep increasing taxes. I am sorry to say that I think that is the wrong way to go, and I think this government should be held accountable for a lot of what it does.

I want to talk a bit about payments from SA Water because, like a number of areas that I will come to in a minute, SA Water is a cash cow for the government. It is a cash cow which has already, since 2002-03 (the first full year of this government), stripped from SA Water customers a total of \$2 billion—and it is expected to be \$2.5 billion by the 2010 election. That has been taken from the consumers, from the taxpayers of this state who are paying their water bills. I am sure that they would not mind as much if \$2.5 billion was actually being redirected into infrastructure to improve the water and the water situation.

If anyone watched the news last night, they would have seen that in one of our suburbs—I think it was around Rostrevor, from memory—a man was shown standing in his garage sheltering from this huge spurt of water travelling many metres into the air and many metres across the street. They had only just finished putting it all back together. They had fixed the leak, put it all back together, got the road back in place, and the same pipe sprang a leak virtually next to where it had been already. So, clearly the infrastructure is ageing and it needs that sort of investment. In fact, the Auditor-General in 2005-06 said:

For the corporation to maintain or increase the level of capital expenditure, it will have to increase its level of borrowings. Put simply, the corporation's ability to generate cash from its operations is not sufficient to fund its payment commitments to the government and maintain its current level of capital works.

So, the Auditor-General was already highlighting that back in 2005-06.

One other thing that I want to discuss in a general sense before I get onto matters of the electorate—and they might have to wait until my grievance on this matter—is the issue of shared services. For anyone who does not understand it, shared services is this idea that, if you bring everything in and bureaucratise it in a central bureaucracy, it will be cheaper. The reality turns out to be exactly the opposite everywhere it has been tried, I think.

I am in favour of the small is beautiful principle. In fact, I have an economics book from about the 1950s called *Small is Beautiful*. I adhere to that principle because the bigger you make

an organisation, the less efficient it becomes. At this stage, in terms of shared services, what is going to happen, theoretically, is that we are going to centralise payroll and all those sorts of functions into a central repository. Everyone has been guaranteed that they will keep their jobs, but it will all be done centrally. Not only will that rip the heart and soul out of a lot of regional communities because they just will not have sufficient people for offices there, but it is actually a form of cost shifting.

I can tell you that, if you are a pay clerk in some suburban organisation—be it a hospital, or whatever—and you have been guaranteed that you will keep your job, the upshot of these so-called shared services reforms is going to be that you will now have to travel into the city instead of your local suburban area. Although you are guaranteed a job, you will not get an increase in your pay, and you are going to have some very significant extra expenses in terms of the cost of going to work. Probably more importantly, you will be spending probably an extra hour to an hour and a half every day going to and from work. So, you will lose precious time that could have otherwise been spent with your family or doing whatever away from work.

So, in my view, shared services is very much a cost-shifting exercise, where costs are being shifted onto individual public servants. All of that could possibly be justified if it was actually going to lead to an improvement in services which, thus far, from every public servant I have spoken to, is certainly not happening. Furthermore, it is already running—I think the last figure I heard was \$32 million—over budget in terms of its implementation. Again, according to the Auditor-General's Report:

Whereas over the forward estimates shared services was intended to save \$250 million, there is a savings shortfall of \$103 million.

So \$103 million just disappeared out of those savings. So, already, we are heading towards a situation where the cost of implementing shared services is rapidly escalating, the benefit to be derived from shared services is rapidly degenerating, and those two, in my view, are going to cross before or very soon after we actually see full implementation.

In the meantime, we have decimated communities, we have imposed extra cost and extra time on the individuals involved, and we have basically achieved nothing which is going to benefit anyone except a government which, because of its Labor philosophy, decides that everything has to be in a big bureaucracy. The government has done it in disability services. I have spoken before about the fact that, in my view, we have made a huge error in going from a separate Julia Farr Centre, a separate Independent Living Centre, a separate Intellectual Disability Services Council—all of those things have been got rid of.

A whole lot of small organisations, which were there to support specific disability groups, have been abandoned in terms of ongoing funding so that the government could produce Disability SA. The upshot of Disability SA is that we have a lot of well intentioned and hardworking public servants who simply do not have the expertise or detailed knowledge in the areas that they need to provide advice on. So what do they do? They have to go back out and ask the very people who have now been defunded if they can help because the Disability SA people do not have the expertise to deal with the problems which are arising. It simply does not work.

In my view, it is just a nonsense to try to centralise everything. What we should be doing is encouraging our communities—and I will speak more about that and about the community of Heysen, in particular, in the grievance part of this debate—to do everything they can to keep everyone out there working, out in the communities, out in the small organisations. I can guarantee that a dollar spent in a small organisation in the suburbs is worth about three times a dollar spent funding a giant government bureaucracy. One of the problems that this government has had is the number of public servants that it has over budgeted for and employed.

**The Hon. I.F. EVANS (Davenport) (16:24):** It gives me some pleasure to have the opportunity to speak to the Supply Bill. Normally, I would go through a list of items that I would like to see funded in my electorate. However, the house will be pleased to know that I do not need to do that this year because, if they refer to my speech last year, none of the items have been funded and the list is exactly the same. Rather than give exactly the same speech as last year and the year before, I will simply say to the house and to the electors of Davenport that if you want to know what the government should be funding in Davenport you should refer to my contribution on this debate last year.

I want to comment on two points. I want to continue the theme raised by the member for Heysen and that is on the costs in relation to the Rann government. The Rann government speaks

with forked tongue and I want to give two highlights to the house. One is on the issue of cars. The Premier and others have been running around GMH telling all the workers how much they support them in their time of need and that we are all somewhat concerned about the cutting of shifts at GMH in response to car sales in Australia and worldwide.

However, I was a bit surprised when it came to my notice that Fleet SA had been instructing agencies not to use six-cylinder cars and, when they finished a lease with a six-cylinder car that they should transfer over to four-cylinder cars. That means, of course, that they would be buying non-South Australian cars because Holden, as yet, does not make a four-cylinder South Australian vehicle. What Fleet SA was saying was that government agencies that were currently buying South Australian made vehicles should not buy South Australian made vehicles.

This has happened only in the past two weeks, during the time that GMH were cutting shifts. The reason that Fleet SA and the agencies were given, in relation to why they should adopt this policy, was that the six-cylinder cars cost around \$60 a month extra to operate and, over a 36 month lease, that was something a bit over \$2,200 extra per car. That meant that, as a cost-saving measure, this government had planned not to buy South Australian made cars.

Apparently, the excuse the government came up with—and this matter became public yesterday to the government—was that this was a budget measure and cabinet did not understand the implications of the budget measure. That says something about cabinet and the advice to cabinet on what its decisions mean. However, it did surprise me that the government, during GMH's hour of need, had deliberately planned not to buy South Australian made cars. The cars of choice, according to Fleet SA, were to be Toyota Camry, Toyota Corolla and Ford Focus. None of them are made at Elizabeth.

*The Advertiser* reported today that the Premier had intervened to reverse this. The Premier should never have intervened to make the decision that he signed off in the budget in the first place, that allowed Fleet SA to adopt a position of not buying South Australian cars. I am glad that I raised the issue yesterday and got the government to reverse its decision. Hopefully, it will have some employment impact for those who are employed by GMH at Elizabeth.

The other issue where the government speaks with forked tongue is that South Australia is a cost-competitive business environment and a low-cost state to do business. Many people would know that before coming into parliament I was a builder and worked in the building industry for some time. I follow matters in the building industry with some interest because that was my trade, if you like, before coming into this place. For three or four years the government has been chatting away behind the scenes to the housing industry about bringing in national occupational health and safety laws.

According to the latest *Building News* magazine, the CEO of Housing Industry Association, David Gaffney, is about to write to all the cabinet ministers expressing the housing industry's displeasure at minister Caica's proposal (or SafeWork SA's proposal) to bring in across South Australia the national standard occupational health and safety laws for the building industry.

You might ask: why would they be opposed to this? The reason they are opposed to it is that the occupational health and safety laws essentially are based in the Eastern States and primarily are designed for the commercial building industry, not the housing industry. The problem that the government has, and the problem that I have with the proposal, is the cost imposts onto those who are going to build homes.

I can tell you are very interested in this, Madam Deputy Speaker, so I will just outline for you the costs that are going to be imposed on South Australia as a result of the government's proposal to impose uniform occupational health and safety laws in the building industry. According to the Housing Industry Association, they sent the proposal to one of their committees and they looked at the occupational health and safety laws and the cost impact. They did this over a series of months and they broke down the cost impact. What will it mean?

For a single storey dwelling, the committee assessed the extra cost of complying to be \$14,240 per home—nearly \$14,300 per home. That went up to nearly \$16,000 (\$15,940) if there was going to be a solar hot water service and an evaporative air conditioner, adding an extra \$1,700 and taking it up to about \$16,000. That is \$16,000 per home in extra costs just to adopt a uniform, national occupational health and safety standard.

The government, federal and state, has been running around introducing first home owner grants and a whole range of incentives to get young people into homes; yet, at the same time, they



are seriously considering bringing in laws that are going to add somewhere between \$14,300 and \$16,000 per home.

If you are designing and building a double-storey home, the committee assessed the cost of complying to be \$20,900 and, with a solar hot water service and evaporative air conditioner or cooler, the total cost increase would be \$22,600. So, the Rann government, through minister Caica and SafeWork SA, has been negotiating now for two to three years. Minister Caica might not have been the minister all that time, but that ministry has been negotiating for two or three years behind the scenes with the housing industry about this concept.

The housing industry is strongly opposed to the introduction of the occupational health and safety national standard because they say that it should apply to the commercial sector, not the residential sector. An extra \$14,000 to \$23,000 on every home is a huge impost. That would nearly make up the deposit for some people on a home if going for a loan.

The reason I raise it is that this matter will be dealt with more than likely if the government proceeds. According to the *Building News* magazine, through SafeWork SA, the government is about to consider a cabinet submission on this issue. If it proceeds with this measure, this will be a huge cost impost on the ordinary everyday South Australian to the tune of \$16,000 to \$22,000 per home. If anyone is interested, they should go to SafeWork SA and ask them for their costings of what they estimate the cost would be on their impost.

The point I make is that I come from the building industry, and the building industry can be a dangerous industry to work in. You have power tools, bricks and rubbish everywhere; you have to deal with heights, and a large number of people are on the site. However, I challenge the government to release the injury data that justifies this proposed regulation because the housing industry in South Australia is one of the best housing industries in Australia, both in terms of occupational health and safety and competitive prices for home buyers. In other words, generally, we have a cheap housing market when compared to the rest of Australia.

All this regulation is going to do is push up house prices between \$14,000 and \$23,000 depending on what you build. I argue, as does the Housing Industry Association, for what benefit? At the end of the day, what is the benefit of this? I do not think the government or the parliament should fall for the trap of signing off on these OH&S regulations without its going to the appropriate parliamentary committee. We have an occupational health and safety committee of the parliament.

Before they even sign off on it, this matter should go to that committee so that the politicians can call in the Housing Industry Association and others and listen to them about what they believe the cost impact will be and what the injury benefit (that is, the reduction in injury benefit) would be to the housing industry. They are just a couple of issues where I think the governments speak with forked tongue. They are walking on both sides of the street and, hopefully, the ministers concerned will deal with those issues so that there is less cost to the South Australian taxpayer.

**The Hon. G.M. GUNN (Stuart) (16:37):** I am not sure how many of these debates I have taken part in during my stay in this particular institution, but having been sent here on 12 successive occasions I have participated in a considerable number. It is important on this occasion when we are discussing the appropriation of \$2,750 million of hard earned taxpayers' money that some of this money is appropriated to better use in my constituency.

As I probably will not be speaking in another one of these debates, I should reflect a little on my time here. This morning I went into the lounge and counted up the number of people I have served with. If my counting is correct, I have served with 166 members of the House of Assembly, not including myself. I had a look at my photo and my appearance is slightly different from what it is today. However, it has been a most challenging, interesting and, I hope, fruitful time for my constituents.

In speaking to the Supply Bill, when I first came to this place there were fewer facilities. When you look at the constituency and the community I came from, my telephone contact was a party line. We had no faxes, no laptops or mobile phones, and the bitumen finished at Lincoln Gap. Now the bitumen goes right through to Western Australia but, back then, the bitumen did not go north of Port Augusta. There have been improvements in communications, the education system has improved, and certainly the ability to move around the electorate has been enhanced.

The services available to members are far better, as they should be, but there are one or two things that I think need to be improved. This idea that members of parliament should be continually starved of resources and should be on the lower end of the economic structure is a nonsense of the highest order. People ought to be encouraged to offer themselves as members of parliament from all strata of society. You should not set the barrier so low that people in highly paid positions are not encouraged to offer themselves.

I have also seen a number of premiers—when I came in here my leader was an ex-premier—all of whom have had different characteristics. One described me as a troglodyte, and I did not actually know what that meant. However, I understand that he was not particularly pleased with my views on social issues, and he told me that I voted against every piece of progressive legislation put forward.

I must have done something right because I have won 12 elections. I am fairly confident that, if I tried, I could come back here again, but I think people should know when it is time to move on. I have been very fortunate to be in this place. When I finish I will have been here for a fraction under 40 years. I came here when a number of people's fathers were in this place, and that is a bit frightening when one thinks about it. I knew the families of a number of people in the other place, too. I am the furthest person west ever to have been elected to this august and esteemed chamber.

One of the things that I hope members always continue to do is to protect the rights and privileges of members. They should not be bullied or coerced by bureaucrats or ministers into taking away people's rights, because if they do then the community at large will suffer. This particular institution is, in many cases, the last hope for people to try to get justice when they are the victims of either unscrupulous people or bureaucracy, because the greatest threat to democracy is unfettered and unbridled bureaucracy.

I think the committee system that we have currently is very worthwhile and a great improvement on when I first came here. I said today to the chairman of one of the committees that I thought his wise chairing of the committee may not have improved his chances of getting further promotion, but he had done a good job. I do not think the bureaucrats would report back favourably to their ministers on his questioning of them, but it was an interesting challenge.

I want to make one or two comments about things in my constituency which I think are important. There is a very important project which needs funding, and that is the upgrading of the Yorkies Crossing road at Port Augusta. That is a road which is there to take exceptionally heavy traffic—it is the bypass. If it is wet or boggy and people cannot go through there, that is a problem. If something happens to the bridge, that is the bypass.

It is terribly important that this road is upgraded, widened and sealed in cooperation with the City of Port Augusta. I know that the Port Augusta Corporation and the mayor are very keen to have this road upgraded, and I support that. I understand that it is going to cost a bit over \$15 million, but it is an important issue and it needs to be done.

There is another rather important road that I would like to see sealed, and that is the road that goes from Parachilna to the hills going up to Blinman. It is a terrible bit of road. Blinman is a wonderful little community. I do not know how many members have been there, but I can thoroughly recommend that, if you spend a night there at this time of year, you will enjoy yourself. I am looking forward to going there in the very near future. It is very important that that road be upgraded. I know the proprietor of the Parachilna Hotel would like it, the community in general there would like it, and it would certainly assist the tourist industry.

Of course, I am looking forward to seeing the continuing work on the road to Marree, which is terribly important. I would like to see it go a few kilometres north of Marree, to cut down the dust. I would also like to see some work done around Oodnadatta, because the people who live in those isolated communities certainly need and are entitled to have some taxpayer funds spent in those areas.

If Lake Eyre fills up or gets a lot of water in it, we will see many tourists. I understand that people are starting to go there now, and that highlights the urgent need to improve and upgrade the airstrip at William Creek. I have flown in there on a number of occasions, and when it is flooded (and you do not need much rain) you cannot get in or out. The same applies with respect to the airstrip at Oodnadatta, which also needs improving. The airstrip at Marree was sealed—and that is a great thing—as was the one at Balcanoona. There is also a need to seal the airstrip at Innamincka. These are important tourist facilities. Thousands of people fly into those areas, and the

worst thing in the world would be for them not to be able to get out again. Of course, we also need the flying doctor to be available at all times. So, they are important projects.

Earlier this week, I think I upset the head of Business SA, Mr Vaughan. Can I point out to Mr Vaughan that there are people who live outside the metropolitan area, in rural South Australia, and their views are entitled to be taken into consideration just as much as the those of the business community. The extension of daylight saving this year has been a thorough nuisance, most inconvenient and unnecessary. I know of no-one except Mr Vaughan who wants it. As far as Mr Vaughan is concerned, he can make all sorts of comments and refer directly or indirectly to me, but I am not going to lose an ounce of sleep and I will continue to promote what I believe to be fair, reasonable and just.

I accept that we are stuck with daylight saving. Even though I do not like any of it, we are probably stuck with it, but the extension is taking it too far. It is unnecessary, and most people in rural South Australia have reservations about it. So, I would suggest to Mr Vaughan and to other people that they should try to strike a happy balance and just apply a bit of fairness.

We have received all sorts of letters of recent times. I received a submission today from people who are unhappy about the Cheltenham racecourse being cut up for housing. I have to say that I share that view. Every time I go there I cannot understand why, in a huge urban society, we want to cut up every bit of open space. I live on a farm and I like open space: I am rather attracted to it. Every time I drive past the racecourse I think to myself, 'Why do you want to deny the community the opportunity.' I think that, in the long term, the racing industry will need more than one racetrack. I know that they are going up to Gawler, but that is a fair way. I was particularly interested in the correspondence that I received today.

I do not wish to say a great deal more on this matter. It is important that we have resources to ensure that the services required by the people of South Australia are maintained in a reasonable, effective and efficient way, whether it is in the area of education, which is terribly important, the road system or the health system, which is also very important. The need to maintain the hospital system in rural South Australia and to attract doctors is a matter of the highest priority.

All I can say to the minister is that I sincerely hope he will not allow entrenched bureaucracy to get in the way and make it difficult for small communities to continue to have a strong say in the running of their hospitals and the maintenance of their existing services. That is fundamental to the continuation of those small communities, and it is absolutely unreasonable to expect people to travel unnecessarily huge distances for very specialised treatment.

Everyone accepts that the community is well served by the Flying Doctor Service, which does great things for the whole of Australia, and I commend all those involved. However, I am concerned that a gradual contracting of services is taking place, and I think it will mean the end of some small communities. If you take the hospital and the school out you really have struck a death blow to those small communities. We really need to make sure that all this money that we are about to agree to is properly targeted and going in the right direction.

I could talk about a lot of other issues, but I think that on this occasion I will save my comments. This is certainly not a valedictory speech. I was privileged to see on pay TV a motion moved in the New Zealand parliament. I do not know how many members here who have pay TV watch that program, but I think that people asking and answering questions would be interested in having a look at it. I do not think they would like some of the rulings of the Speaker.

As we have the Minister for Education here, I will give an example. The Speaker of that parliament (who went to the University of South Australia) directed the New Zealand Minister of Education to answer a question. She had one minute, and she did not look very pleased. However, the Speaker said, 'You have had three goes at it. Now answer it.' I thought it was an interesting ruling and I was looking forward, Mr Speaker, to you applying it to the Treasurer. It appeared to me from watching that TV program that the Speaker was not one to have his rulings questioned. Everyone seemed to be pretty happy with him, and the business kept flowing.

What I wanted to say was that a motion was moved by the Prime Minister congratulating Helen Clark. She said that she was going to make a valedictory speech and she hoped that she had unlimited time, and I hope that will apply to me in the future.

I support the second reading of this bill. I look forward to the funds being appropriated for the good purposes of the running of the government of South Australia. Can I say to the Premier that, when he is putting together the state budget, there are problems in relation to land tax and it is

really affecting rental accommodation and other things in places such as Port Augusta. It is not encouraging people to buy more, and it is having an effect on the tourist industry.

The level of taxation has to be carefully balanced. I clearly understand the government has to have sufficient revenue to provide services, but it has to be fairly based and taxes should not be regressive and put in place in a manner which will stop people investing, improving and continuing to expand their operations. I support the second reading.

**Mr PISONI (Unley) (16:53):** I would like to make some remarks in regard to the Supply Bill. I will spend most of my time speaking about the way education has deteriorated under the Rann government. It is becoming a mess in this state, particularly for those who choose to send their children, as I do, to government schools. Parents, students and teachers are paying the price for this minister's and Premier's disinterest in education.

I think we can all remember that Mike Rann's aspiration was to be the education premier. I think we heard time and again when he was in opposition how he wanted to be known as the education premier. It is obvious he has forgotten that pledge and his commitment to education in South Australia.

The message I get from people in the education community—from education professionals, stakeholders and parents—is that the government and this education minister are way out of touch and disinterested in education. Interest has only been rekindled by an injection of federal funding. We have seen some announcements by the Premier and education minister—not about their role in education in South Australia, but more about the Rudd government's role in education in South Australia.

Also, I take this opportunity to remind the house that the South Australian state Liberal Party, on the day of the announcement of the federal funding for schools, supported that package, despite our differences with the federal Liberal Party. In South Australia, we welcome every expenditure on schools, whether that be federal or state money. We had a point of difference with the federal parliamentary party about the expenditure in our schools and the minister knows that and, if she represents it in any other way, she is deliberately misrepresenting the South Australian Liberal Party.

The facts are the South Australian Liberal Party came out and supported the federal funding in our schools under Rudd's digital education revolution. However, she will not admit that whenever she is criticised.

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

**Mr PISONI:** When I am out there spruiking for schools and supporting schools—not only in my electorate but also throughout the state—and saying, 'You are not doing a good enough job, minister,' her only way of justifying her performance is to attack the opposition with untruths and fabrications. She will not debate the facts.

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

**Mr PISONI:** As a matter of fact, she continues to interject now because she does not like what I am saying. The minister has plenty of time to twitter away while she is in here, and she can have her say later if she wishes.

I think the minister's lack of interest in education came to a head and we saw how her disinterest is affecting her job when, back in June last year, she was asked by Tom Richardson, the Channel 9 political reporter, what views she had. New South Wales, Western Australia, Victoria and Queensland all said \$1,000 per computer is not enough money to get these computers plugged in, and she was asked for her view. Her answer was, 'I don't know what they were doing in the other states. I was watching *Dr Who*.' So she was lost in the Tardis! It was extraordinary. Channel 9 still has the footage. It is an extraordinary admission of the lack of interest that this minister has in her portfolio.

Of course, when we were talking about violence in schools she went on air and said, 'It is all about *Australia's Funniest Home Videos*. They're the ones that are responsible for violence in schools.' That is what she said. That is what she told Leon Byner, that it is because of *Australia's Funniest*—

**The Hon. J.D. Lomax-Smith:** It's true.

**Mr PISONI:** Now she interjects that it is true! While other states—Victoria and Western Australia—are discussing this issue with universities and calling forums about cyber bullying, this minister says all we need to do is stop the show *Australia's Funniest Home Videos* going to air and that will be it—cyber bullying will be finished. It is a very interesting analysis of her approach to her portfolio.

We always hear about the record spending in education by this government, but the minister fails to talk in relevant points. When Labor came to office, 25 per cent of the budget was spent on education and, now, seven years later, 25 per cent of the budget is spent on education. So we can see that there has been an overall growth in the budget but there has been no extra percentage expenditure in the—

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

**Mr PISONI:** The minister interjects that there has been a 52 per cent increase, and she is right, but the budget has grown by 58 per cent, so where is education's share? The overall state budget has grown by 58 per cent, so we have less. According to the minister, education has actually received less—a smaller share of the budget than it received previously.

The tourism budget is the same. I think one of the big things that the minister did when she got the job in tourism was cut the budget by \$11 million. Of course, she knows how wrong that was at the time because we suffered enormously.

She had a target of \$5 billion for the tourism industry in South Australia. A five year plan was released to grow South Australia's tourism industry to \$5 billion. Five years later, it is \$4.2 billion—so we are \$800 million short—but she says, 'Don't worry about that plan, we will throw it in the bin and announce a new one to take it to \$6 billion.' Nowhere in the plan has she described how she will do it. What we are seeing from the minister at present is like Stalin's rolling five year plans.

Of course, there is announcement after announcement about trials in schools but nothing is happening. We do not see anything rolling out for the entire school community. We see selected groups being used as guinea pigs for trials of programs that the minister has seen in her travels around the world, but we never see them implemented for the whole school community.

There is a lack of innovation. There was a time when South Australia was a leader in education, but under this minister and this Premier we have fallen way behind. One only has to look at our NAPLAN results for last year. Of course, the tests were designed by the former federal coalition government. Of course, anything done by the former federal coalition government was opposed by this minister on ideological grounds, because it was not from her side of politics and she was not interested in it. Now, of course, the Labor government is proposing the same things that Howard was proposing and it is a great idea. The minister is on record as opposing it when it was a Liberal idea and supporting it when it became a government idea.

We have a situation where, as a result of our national testing results, the minister is in full-blown damage control. Four months after receiving the results, the government came up with a response that was purely a press release—no funding, just a press release. Members should ask the principals about how they tried to access funding for the minister's solution for students in this state failing in 17 out of the 20 categories. Under this minister they failed to reach the benchmark in 17 out of the 20 categories. The minister will talk about inputs all the time, but we on this side of politics are interested in outcomes for our children.

We have seen a series of funding cuts under this minister. Spending cuts of more than \$25 billion have been ordered in the education budget as part of an efficiency drive across all state government departments. It is in the budget. As the Premier would say, 'It's in the budget'. The CEO, Chris Robinson, admitted in estimates that under the new efficiency measures the department will have to find \$2.5 million in 2009-10, \$7.6 million in 2010-11—which is after the election—and another \$15.1 million in 2011-12. Isn't it interesting that the biggest cuts in the budget will be seen after the election and there are much smaller cuts before the election.

This is a budget that is presided over by our education Premier and our disinterested, twittering education minister. This is on top of the cuts of \$153 million over four years, which were ordered in the 2006-07 budget. Schools are closing or they are unable to get the funding they need for basic maintenance. Members should talk to Port Pirie West Primary School. Salt damp work was started when Rob Kerin was premier, but they have not received additional funding to finish it in the whole of the time that this government has been in power. For 12 months now 30 per cent of

the girls' toilets have been boarded up, not just temporarily but, rather, with brackets screwed into the door because they are broken and there is no money to fix them; so the girls at a regional primary school in Port Pirie cannot access 30 per cent of their toilets.

The Treasurer has bragged about the 2008 budget and an increase of 50 per cent in the per student spend since coming to office. An objective analysis reveals a much more modest pace of only 1.8 per cent a year above inflation, but still below overall growth in the budget; so education has received a much smaller share. Furthermore, if the component of staff wages is removed, there has been an average real term decrease of 2.5 per cent in the education budget. We have seen a reduction in the number of teachers and increases in the costs of salaries, and so forth. Wages have increased right throughout the public sector, as well as in the private sector, but it has given us an end result of a 2.5 per cent reduction in the budget. Those figures are from the South Australian Association of State School Organisations' report, which has analysed the situation.

In relation to capital works, it is no wonder the Rudd government intervened in capital programs in our schools. When this government came to office we saw capital works expenditure of \$97.4 million for our schools. In 2008-09 the capital works budget was \$71 million. It is not even keeping up with the dollar figure. If we were to keep up with inflation on the \$97 million figure, we should be spending \$118 million this year to keep up with inflation. We must remember that the state budget has grown by 58 per cent in the same period. In effect, we have seen capital expenditure receive historically low funding from the so-called education Premier.

Facilities in our schools are a disgrace, as described by Stuart High School principal, Ian Kent. Many country schools cannot afford air conditioning, forcing them to send students home on hot days. Many schools have totally outdated and inadequate technical studies workshops. At my own children's school, Unley High School, the classroom air conditioners have to be turned off on very hot days because they cannot hear the teachers over the air conditioners. It is an appalling state of affairs. Of course, for some reason, the Rudd government's Education Revolution does not allow schools to spend money on air conditioning, because air conditioning does not generate jobs. Try to tell Sealy manufacturing in South Australia that air conditioning does not generate jobs. It is an absolute nonsense. Tell those people in Burra Primary School, who are in an historic, heritage-listed building, who do not have air conditioning, that air conditioning is not important to them.

The Liberal Party believes that there should not be a distinction between the quality of education in the country and in the city. It is obvious, in the examples that I have given today and in the examples we read about in our country newspapers every day, that, for this government, there is a big divide between the country and the city, despite the fact that there are Independent members of parliament, who represent rural electorates, who have moved into the city and into bed with the Labor Party. That is the outcome that we have under this government: a neglected regional South Australia.

Tell those seven TAFE teachers in Mount Gambier, who have lost their responsibilities but are still on the payroll, because the government does not know how to deal with them. Tell those families in Mount Gambier who have lost their jobs because of shared services that this government cares about regional South Australia, and I will tell you that they will not agree with you. They have been let down by an Independent member of parliament, who joined the Labor Party in government.

Of course, through Building the Education Revolution, the federal government has been forced to intervene due to the way state Labor governments have run their infrastructure and public education. It is interesting that intervention was called for after long periods of Labor state governments across Australia, an historic time in Australia for the Labor movement, where every government—state and territory and federal—was a Labor government. What was the first thing that the federal Labor government did when it came to office? It intervened in the education system, admitting that it had failed under Labor governments.

Jim Davies from the South Australian Secondary Principals Association has commented on the need to fast track projects, to spend \$1 billion allocated as part of South Australia's contribution to long-term national debt. He stated:

The reality is all our secondary schools have significant backlogs of maintenance and there are jobs in the queue waiting to be done.

We know that there is a long backlog of maintenance jobs, and we know that many school principals have given up even putting those projects forward. That is why we have a situation now in South Australia, which is unique compared with other states, where schools cannot have their

own specific projects. They have to take something off the plan, whether that is a 10 year old science lab or whether it is a school hall that is too big for the allowable space. The school may not have enough room, but it is the only one that can be funded under the Education Revolution program. There is just no flexibility, no self-management for schools.

School communities know best what they want, not the bureaucrats in Flinders Street and not those in the department of Treasury. That was what was so fantastic about the Howard government's Investing in Our Schools program: schools could actually determine their own projects without being told what to do by bureaucrats in Flinders Street.

We saw the bungling of the Building the Education Revolution with the whiteboard scenario last week, where the federal minister, Julia Gillard, had to intervene and overturn the rejection by the department of whiteboards in several schools, and not insist that those whiteboards be part of the general rejuvenation of a classroom. In the end, the schools did not have to get carpet, but the original information was that they could not get those whiteboards unless they got new paint, new carpet, washed the windows, adjusted the window frames, and got some new furniture, even though they did not need any of that.

Time expired.

**Mrs PENFOLD (Flinders) (17:13):** South Australia now carries the second worst budget deficit in the nation, with only New South Wales being in a more unenviable position. By the end of eight years in power and with a GST income bonanza, the Rann Labor government will have saved nothing and provided little for the long-term future of our children but debt. So, the cycle goes around again.

In 1993, when the Liberal government took office, the state could not pay, from the income it received, all the interest on the debts left by the Labor government. In my view, we were technically bankrupt. The new Liberal government was forced to appraise all state assets, and chose to lease electricity assets. These assets were badly run down because profits from the business had not been reinvested in power infrastructure and maintenance. Instead, profits were put into general revenue, which is exactly what is happening now with the government's monopoly, SA Water.

The Liberal government of the day had no money to upgrade power assets, whereas the new owners immediately injected multimillions of dollars into upgrading them. The lease also enabled wind energy companies to enter into what had been a closed government monopoly electricity market. This helped our state to lead Australia in renewable energy. The Rann government's Mid-Year Budget Review reveals that it again has a major expenditure problem, and, once again, has been living above the state's means.

Despite the economic downturn all over the world, this state should have been in clover, well buffered because state revenues actually went up more than \$180 million in the months since the June budget. However, when Labor should have been cutting costs, its expenditure continued to spiral up even faster to an astronomical \$453 million more, and it was not, unfortunately, for projects with a return on investment and long-term jobs. Only city projects featured in this state government's application to the federal Infrastructure Australia funding.

The western half of South Australia, including Eyre Peninsula has a lack of physical infrastructure without which this huge region will not fulfil its potential to assist South Australia to meet its economic, social and environmental goals. Eighty per cent of the mineral exploration in South Australia in 2006-07 was undertaken in the Gawler Craton mineralisation which underlies much of the area. However, mining royalties last financial year in South Australia were only \$165 million, a fraction of the \$3.6 billion in Queensland and the \$3.4 billion received in Western Australia.

The Gawler Craton contains world-class minerals now recognised and in strong demand by countries around the world but unable to be developed until the necessary infrastructure is put in place. The Eyre Regional Development Board Annual Report 2007-08 stated that expenditure by companies on mineral exploration in South Australia during 2006-07 was \$188.9 million, with \$152.2 million expended within the geological province of the Gawler Craton alone.

The priorities to develop the significant potential of this very underdeveloped region are: a power ring main; a 20 metre deep water port near Port Neill; the upgrade of the Port of Thevenard; the upgrade and extension of 680 kilometres of narrow gauge railway and connection to the Australian rail system; desalination plants at Ceduna, Streaky Bay, Elliston, Port Lincoln and

Port Augusta; the construction of the Wirrulla to Glendambo Road will also provide the route for the power and water (and eventually a rail connection) for the northern mining developments to Eyre Peninsula ports capable of taking Cape Bulker size ships for exports; the upgrade of the Port Lincoln airport (which is the busiest airport outside of Adelaide, but unable to take jets) and also the upgrade of the Ceduna airport.

The western half of the state of South Australia has very little development with few jobs and very few people. The rich resources that could alleviate these problems remain largely untapped. There is massive unemployment, particularly in the Aboriginal populations, leading to poor education and health outcomes.

Despite an enormous amount of mineral exploration, very few mines are coming into production. Companies ready to start to export are working in isolation with one another and, unless pulled together by an organisation—such as Infrastructure Australia or the state government—with the clout and knowledge to do so, companies will continue to struggle on, taking many years (if ever) to become profitable, particularly now that we have had the economic downturn. They could be employing lots of people and paying large royalties to the state.

Adelaide—our capital city—is 600 to 700 kilometres away. The region has been predominantly for sheep and grain farming, fishing, aquaculture and some tourism, until aeromagnetic surveys and other modern technologies showed what the Gawler Craton mineralisation contained.

There are proponents already willing and able to undertake the construction of the ring main, a 400 megawatt wind farm, the hot rocks, solar/gas power supplies, desalination plants and numerous mines. However, without essential power, water, export ports and road or rail transport infrastructure, it will be a long time before these projects will be able to progress. Billions of dollars of export income and thousands of jobs will continue to be forfeited if this infrastructure is not put in place.

A power ring main is required to stabilise South Australia's power supply and enable the input of more than 400 megawatts of wind energy and significant megawatts of hot rock power into the grid. This significant green energy source will enable off-takes, particularly by northern mining companies, including BHP's Roxby Downs expansion, which will require 400 megawatts of power alone, as well as processing and desalination plants.

Currently, the very old 132 kV line without a return that services the Eyre Peninsula cannot even take all the power from the 70 megawatt Mount Millar Wind Farm and the Cathedral Rock Wind Farm on Eyre Peninsula in case it collapses and takes out Adelaide's power. The existing power supply from the Flinders coal-fired power station at Port Augusta is no longer acceptable technology, and the possible introduction of a carbon tax will make this power source unviable in the future.

Infrastructure in Port Lincoln is under pressure just coping with grain trucks and the expansion of the city. It is increasingly obvious that a modern multi-use port on the east coast of Eyre Peninsula, north of Port Lincoln and south of Port Neill, is needed to provide for the future imports and exports of Eyre Peninsula and the west of South Australia, arising from the commercialisation of the extensive and varied Gawler Craton mineralisation that covers the region. The current mining debate highlights just how inadequate the present road, rail, port and even the air infrastructure is for the future development of the region and also for the social, economic and environmental advancement of our state.

Port Bonython at the top of Spencer Gulf near Whyalla is poorly located in an area that is very environmentally vulnerable. The Whyalla port is fully utilised by OneSteel, which is refusing access to other companies and requires barging. Private enterprise could build a new port on a greenfield site in conjunction with an extended and upgraded railway, improved road network and possibly slurry pipelines to provide for minerals and grain exports and any imports as required. Value adding before exporting our commodities should be undertaken where possible, and the inclusion of an iron ore pellet plant incorporated in the initial port plans is a must; however, state government support is required.

The Port Lincoln airport is the busiest regional airport in South Australia, with 150,000 passengers annually. It is owned and operated by the District Council of Lower Eyre Peninsula and has a district population of 4,402. The City of Port Lincoln, with a population of 14,500, is the closest major city to the airport, approximately 15 kilometres.



Council has indicated that it has a broad strategy to enable the airport to be extended and is planning to upgrade most of the airside facilities, including the taxiway, apron and lighting this financial year. It has also set aside funding for concept plans for a terminal upgrade and has recently finalised a business plan for the airport to plan for future operations and development. However, the benefits of a jet service is something the small district council will have to consider carefully, because the capital expenditure and recurring maintenance costs on a new upgraded terminal and associated security requirements is significant. Again, help from the state government is probably a necessity.

If the Port of Thevenard is not upgraded then the new port south of Port Neill would become the only major port to service the whole of Eyre Peninsula and an area west of the Western Australian border. Minerals from the north and west would need to be transported a considerable distance for export. Thevenard currently handles a greater tonnage of product than Port Lincoln, namely, grain, salt and gypsum. Additional exports, however, are now in the process of development, including Minotaur's kaolin deposit near Streaky Bay; Iluka Resources have indicated massive deposits of high-grade mineral sands; and Adelaide Resources have mineral sands, uranium and ore deposits. Existing exports of grain, salt and gypsum would also be under threat without an upgrade to cater for larger ships.

A new railway line or an upgraded standard gauge line needs to be redirected along a new section approximately 30 kilometres from Ungarra to a new port to take all freight, including grain and minerals. Water continues to be one of the biggest issues throughout the nation and no less so than on Eyre Peninsula. Access to SA Water pipes must be enabled for desalinated water to be utilised throughout the region. Quantities of potable water are needed urgently to enable mineral sands to be processed locally. Presently, they are to be shipped to Western Australia, I understand, for processing due to the lack of water available in the region. Kaolin also needs about three gigalitres of water.

The Wirrulla-Glendambo Road should be the responsibility of state and federal governments to fund. It is becoming increasingly busy with traffic from the many outback mining activities and hundreds of tourists. Tragically, there have already been deaths on this road and it is increasingly impacting on the local community who are called to assist when there is trouble. The wear and tear on this road is significant as it was not built for the volume of traffic that is utilising the transport corridor.

The current global financial crisis has become a convenient ruse for the Labor government's mismanagement and incompetence in their disastrous mishandling of the state's economy. The Premier and the Treasurer have again landed South Australia in a financial pickle. This, perhaps, should have been expected given the honourable members' history in virtually bankrupting the state when previously in office and in charge of the state finances.

The government has spent much of the windfall revenues on unbudgeted items. It has not paid off the debt or put money away—quite the contrary, in fact, with unfunded superannuation and WorkCover debts both now back in the very dark red. A symbol of eight years at the helm will be the non-functioning mini wind turbine atop a state administration centre that the government no longer owns; trams that do not suit our climate; and traffic jams on North Terrace, making an important connecting road into a negotiating nightmare for traffic. Taxis and motorists are avoiding the road wherever possible. It is hardly an endorsement for a government dealing with 21<sup>st</sup> century traffic in an expanding city.

The expenses blow-outs are driving this state's liabilities to a level which may well jeopardise South Australia's hard-won AAA credit rating, a fact already acknowledged by our Treasurer. Returns on the government's invested assets under management—that is, Funds SA, WorkCover and the Motor Accident Commission—were all negative in 2007-08. This should have sent serious warnings to the government that its financial management was not up to the task.

In 2007-08, Funds SA incorporated Motor Accident Commission funds under management, as well as a couple of other funds, which masked their total losses. Since 30 June 2008, notwithstanding revenue into and out of the funds, Funds SA investments have fallen by \$3.7 billion while WorkCover's investments have fallen \$314 million, together making a loss of \$4 billion. This has all happened at a time when revenue has actually increased.

The Auditor-General's Report for 2007-08 Part C, page 54, stated that the net financial liabilities to revenue ratio is not, however, declining towards that of other AAA rated states as required by fiscal strategy. However, despite the increase in revenues the Treasurer, on

14 October 2008, as recorded in *Hansard*, blithely blamed 'the crashing of revenue' for the worsening state's financial liabilities to revenue ratio.

From 2002-03 to 2007-08 the Premier and Treasurer incompetently underestimated revenue collection each year, collecting a massive \$3.7 billion more than expected. The Auditor-General noted that these unbudgeted receipts masked unbudgeted increases in expenses. Compared with other states the severity of South Australian taxes is confirmed by the Commonwealth Grants Commission. South Australia has been the highest taxing state in each year under the Rann Labor government. The last year of the previous state Liberal government (2001-02) was the last year when South Australia was not the highest taxing state.

The 1993 Liberal government took over a bankrupted state and managed to keep South Australia competitive on a national field. However, under this Labor government, South Australia taxes more heavily on land, stamp duty, gambling, insurance, heavy vehicles and motor vehicle registrations and transfers than any other state.

Land tax revenue, one of the many taxes on business, increased a massive 265 per cent under the Rann Labor government's seven years in power. Payroll tax, which is a tax on employment, is higher in South Australia than other states. These taxes are a significant disincentive to doing business in this state and account for businesses moving their head offices interstate.

It is significant to remind this government that 94 per cent of business undertaken in this state is by small businesses. Small businesses are the major state employers. They provide jobs, keep people employed and keep our state vibrant, yet this government is hell-bent on making life as difficult as possible for small business owners.

Further fracturing its credibility, this state government has reneged on its promise to abolish agreed state taxes in exchange for GST revenue. It will continue to levy two taxes on business transfers for an extra three years to lever an extra \$142 million from long-suffering businesses. Authorisation for this from the Rudd Labor government demonstrates the latter's lack of concern for the viability of business and, therefore, the jobs of South Australians. It makes a joke of the Premier's statement of being unashamedly pro business—which I read in *The Australian* on the weekend.

This massive increase in various commonwealth grants has hidden the debacle in the handling of the state's finances but, even so, South Australia will still receive more GST revenue over the forward estimates than the Treasurer had budgeted for when he was elected in 2006-07.

Water, as I stated, is a universal and crippling topic in this state, and Labor's financial mismanagement is highlighted in the story of SA Water. Total dividends and payments to the state government from SA Water are budgeted to be \$273 million in 2008-09. Since 2002-03, the government has stripped \$2 billion from SA Water customers. Little of this has been made available for infrastructure spending and certainly not on the Eyre Peninsula where it is badly needed and incursions from the sea are, as I understand it, getting into some of our southern basins.

However, according to the Treasurer, these record SA Water contributions are not enough even to fund the proposed desalination plant for the city which was an initiative of the Liberal opposition as a practical response to our city's water crisis. The Auditor-General has highlighted repeatedly that the Rann government is treating SA Water as a cash cow. The state's own water utility is being starved of money to carry out capital projects even though the state is going through a drought and has water restrictions.

The Auditor-General's Report 2005-06, Part B, Volume IV, page 1232 states that SA Water will have to increase its borrowings to maintain or increase its capital expenditure. In other words, the corporation is borrowing money to pass on to the state to make the state's finances look better than they are while being unable to fund necessary capital works or even to maintain existing infrastructure. Again, this was emphasised in this year's report as follows:

In four of the last five years net cash generated from operating activities was sufficient to cover the net cash used in investing activities...but insufficient to pay the level of dividend and return of capital required by the Department of Treasury and Finance. To meet its payment obligations to government and finance its capital works programs the Corporation's net increase in borrowings has risen significantly in 2007 and 2008.

When it comes to state debt the statement 'You ain't seen nothing yet' covers Labor's approach. The government has previously announced that the prison PPP will be delayed by up to three

years. The honourable Treasurer's 'rack 'em, pack 'em and stack 'em' policy must have to be revised. Perhaps the government will legislate for prisoners to be accommodated in overcrowded, under-resourced prisons by sleeping in shifts: 'rack 'em, pack 'em, stack 'em and triple shift 'em' every eight hours.

Then there is the enormous unbudgeted increase in public sector numbers, which have risen by an additional 14,842 from 2001-02 to 2007-08. Contrary to Labor claims that these are in health, education and policing, only 4,414 are nurses, doctors, teachers or police officers.

**Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (17:34):** I rise to speak on the Supply Bill and I indicate that, as convention demands, this bill will be supported by the opposition. The bill facilitates the appropriation of \$2,750 million from the consolidated account for the continued provision of the services provided by the government and its agencies and for the administration of funds for which they are responsible.

I do not do so in any way because I am confident that these funds will be appropriated by the government—in particular, by the Treasurer—in any responsible, judicious or equitable manner but because it is recognised that the positions of tens of thousands of public servants are in situ and require to be continued at the very least until the budget has been handed down by the Treasurer in a month or so.

The international environment is concerning, to say the least, and we have a level of economic instability which is, at best, unsecured. Couple that with the federal government's cash extravaganza, which it has come to see as necessary for fiscal stimulus at a national level. Given the current international environment, it is even more alarming to consider where we may find ourselves after the effects of any irresponsible financial management at a national level. Clearly, in the end, our major provider of revenue is the commonwealth government, and that may be at risk not only as to maintenance of the current appropriation on which we have become reliant but also for future special projects and extension of funding.

Given that commonwealth funds (GST being independent of that) are a major provider of revenue for the state, the behaviour of the federal government has a significant impact on our state. The stated position of the federal government and state governments is to have some relationship where there is no blame game operating between them, that they are going to end some era of competition and criticism of each other and that we are moving into this new era.

I see it as a new era of complete stagnation, because the commonwealth is a major revenue source for the South Australian budget and, in particular, it allocates much of the funds for health, comprising hundreds of millions of dollars in financial support in order to sustain our health services.

We can look at the historic agreements in relation to the ratios of funding that are contributed to the budget, where almost 30 per cent of the state budget's provision to health is coupled with the significant funds for families and communities, child protection and right access to housing. This forms a significant part of the budget.

The first thing I bring to the attention of the parliament is my absolute despair at the fact that as we approach the anniversary of two years of the current federal government, we still do not have a signed health agreement. This was an agreement over a triennial period which expired on 30 June 2008. It was temporarily extended to 30 June 2009, which is now only weeks away, and yet we still do not have a health agreement signed between the state, territory and federal government for the future funding of this very significant part of the budget.

I bring this to the attention of the house because this is a matter which was given significant attention by the state Minister for Health when the Liberal Party was in government federally, and there was constant criticism of the inequity in the proportion between the state and federal contribution towards health costs. In particular, criticism that they had moved away from a 50/50 funding model and that progressively the states were expected to pick up more. Yet here we are, nearly two years into the current federal government and there is still no resolution of that issue, which was something that was very important to the state minister before.

I am very concerned about this. We can tinker around the edges on all sorts of things, but unless we get this right, South Australia, along with other states, will be significantly disadvantaged if that agreement is not signed up, and signed up with some favourable terms, including ensuring that there is an annual increment provision, taking into account what is called a healthy inflation factor, which depending on who is writing the article is most commonly somewhere between 8 per

cent and 9 per cent, and sometimes 10 per cent, the annual increase required just to be able to continue to provide the services, with workplace technology and equipment costs escalating at a much higher rate than CPI.

The second aspect that causes me great concern is the general level of mismanagement at the state level. I have only been following this in any detail over the last seven years, a period over which this state government appears to have been drowning in money. That is not to say that other governments around the country (state and Liberal) have had the benefit of a period of time where there has been an extraordinary amount of revenue generated, for a multiple of reasons. At the end of this, though, we are now found wanting, particularly when we are facing a difficult period.

The reason it is particularly concerning is that it seems that the Treasurer in this state does not seem to understand the problem that he faces. Just today he came in to talk about the expected loss of revenue from GST that is being predicted. That is not an insignificant issue. But what the Treasurer does not ever seem to explain is that he does not have a revenue problem, even with those factors taken into account. His problem, as disclosed by his own Mid-Year Budget Review, reveals that he has an expenses problem.

Despite the fact that the Treasurer continues to claim that declining revenues are caused by the global financial crisis, the numbers actually tell us a very different story. The revenues, in fact, have improved in the seven months since the June budget last year. It is the expenses, on the other hand, that have continued to spiral. So, when the government appears ignorant of even the most obvious—even disclosed on its own documents—it is very concerning.

The government has come up with some ingenious ideas about how it is going to get us out of this. First, it is going to sell buildings. We have noticed that one of the buildings it is going to sell it does not even own, but having identified that it will obviously have to go back and do the figures there. It is going to sell up government employee houses, when it is probably the worst time to start selling property, and it is going to defer infrastructure, such as the new prisons.

In this regard, it is sometimes necessary, when a situation such as the global financial crisis needs to be looked at, that we look at deferring projects. For the benefit of the parliament I will identify how misguided the government is in its preferences to what projects it defers. Notwithstanding the Premier standing in the parliament today openly gloating about the government's decision to proceed with redevelopment of the Glenside Hospital, one of the first casualties on the Treasurer's list is that there will be a two-year delay on that redevelopment. From memory, it is about \$25 million that he is going to save by not building that, and so its completion date is two years later than what was originally proposed.

Yet in the same breath, there is confirmation that the government is going to continue to proceed with a \$45 million film and sound hub at the Glenside Hospital site. Where are the priorities here? If things are tough and the belt has to be tightened why is it that a redevelopment for mental health, which we all agree is necessary, has to be put aside for two years, and yet a movie hub has to be proceeded with and \$45 million spent by the Premier's department is somehow or other justified in progressing?

So, here we are in alleged economic meltdown and we have that sort of priority identified. It is completely unacceptable. If the government had any ounce of understanding of the urgent need out there for mental health, including housing for mental health, which is woefully inadequate in our current social housing situation, it would be allocating that \$45 million immediately across to the provision of housing on that site and not selling it off for a bigger supermarket that nobody needs.

The situation for South Australia relative to the rest of the country is that we now carry the worst budget deficit in the nation, with only New South Wales being worse, and we all know what the predicament of New South Wales is, given the national and its own state media—it is an appalling situation. At the end of seven years in power, the Rann government, at this point, has built nothing, saved nothing and provided nothing for the future. It has spent all the money and it is now embarking on a fire sale, and we are facing a major debt.

The other aspect that concerns me is that, in the environment that is presented by the Treasurer, his government continues to press ahead with a \$1.7 billion rail yard hospital proposal—which, incidentally, it has now been admitted, will be partially funded by the \$400 million from the saving that the government proposes to make (this is the evidence of the CEO, Dr Sherbon) from the stripping of other hospitals, including the QEH and Modbury, and the restructuring of health services in this state. The government is going to cut and gut those services to do so.

Notwithstanding the financial holocaust that we are experiencing, the Treasurer appears to have missed the point that the government has approved \$15 million in the health budget to transfer and install a kidney transplant service to the Royal Adelaide Hospital, which is currently underway and which has been through the Public Works Committee (and we will have a bit more to say about that tomorrow). That service is currently being installed in the Royal Adelaide Hospital, which the government wants to bulldoze in a couple of years. It is incredible to think that we have a perfectly good facility at the Queen Elizabeth Hospital, and it is going to put it into the east wing at the Royal Adelaide Hospital and then bulldoze it.

The other thing that seems to have slipped under the radar of the Treasurer is this: how reliable is the \$1.7 billion? If he looks at his own budget papers he will see that, from the previous year's budget when this was announced until last year's budget it has moved from a \$1.67 billion project to an 'NA'. 'NA', I assume, is either 'not available' or 'not accessible', and it is simply not disclosed. The reason for that is explained in the budget papers, that they are now moving to a different model of procurement and they do not know what it will be. So, notwithstanding the protests of the Treasurer even today, reinforcing statements made by the Premier that it is all in the budget, that situation has clearly changed.

Even more concerning is that the Premier has picked up this idea of the hospital from the Western Australian Fiona Stanley Hospital. He has never come up with a new idea himself in the time that I have been in the parliament. He usually steals someone else's idea, and this is no exception. This is taken off the drawing board from Western Australia pretty much word for word. Its hospital was originally identified and costed at \$1.1 billion, with extra research services, pathology and the multitude of health services that this one will have, and all the Labor premiers say they are having state-of-the-art, world-class, best practice, blah, blah, blah. This quote was \$1.1 billion.

It is very interesting that, two years later, that same model of a hospital has now been re-costed and it is now a \$1.76 billion hospital. It has already blown out by nearly \$600 million, and they have not even started seeing any patients there, for the purposes of finalising its construction and operation. It gives me no comfort to think about the projects they have maintained that they are going to follow through in the environment of financial impecuniousness that we are facing.

I will give another example of how blatantly irresponsible the government is being. The government was recently asked why there was no provision for the cost of transferring things out of the current Royal Adelaide Hospital to the new rail yard hospital, which it proposes will occur in 2016, and I think it will pay in its budget \$180 million-plus for new furniture and equipment. We asked what it would cost to take the equipment—MRIs, linear accelerators, scalpels, and so on—down to the other side of the city. They said, 'We have not budgeted for that, and the reason is that we are not taking it. The only thing we are taking is the patient records.' I said, 'Well, what about the radioactive waste that is sitting in the basement?' They said, 'Yes, we will be moving that too. But we haven't actually budgeted anything, because we are not taking anything.'

I do not know what will happen to the millions of dollars worth of equipment that is still sitting there—whether it will be thrown out to other hospitals, whether they will have a great big clearing sale or what will happen. That is the sort of wastage that I think the people of South Australia need to know about.

I do not know how the government could even commit to a new hospital when, since 1999, and mostly in the lifetime of this government, a major portion of work has already been done on the hospital, with over \$100 million spent on the Royal Adelaide Hospital site for new surgical equipment, emergency department, pain clinics, burns units, all these sorts of services, as magnificent as they are and claimed by the people who work in them to be of world standard, yet the government is just going to bulldoze them. The financial position the government is taking on this is completely unconscionable and irresponsible.

I also want to refer to the fact that, with respect to revenue, notwithstanding the bleatings of the Treasurer, from 2002-03 to 2007-08 the government has collected a massive \$3.7 billion more than it had expected. So, not more than just what it had already allocated (which was significant); this was above the budgeted increase. The government has said, 'We are going to have a reduction of \$48 million from the 2008-09 state budget,' and the Mid-Year Budget Review confirms that, 'and that is something to be taken into account.' But remember this: from 2001-02 to 2008-09 the overall percentage increase in state taxes, which includes payroll tax, taxes on property—stamp duty, land tax and so on—taxes on insurance and motor vehicle taxes, has been very substantial. This includes property taxes, which we have heard a lot about. There has been a

63 per cent increase in those tax revenues. So, it is a complete nonsense to come along and say that we are going to suffer a reduction in some taxes anticipated this year, and not take into account the extraordinary growth in taxes that the government has enjoyed way above what it had expected to have. I see that it still managed to spend it all.

Public housing, I suggest, will be at serious risk. If it were not for minister Plibersek at the federal level, who has announced an infrastructure contribution through public housing, we would be completely stripped of housing services to cover the accruing demand in this state. Stamp duty on a \$300,000 house continues to be \$11,330 in South Australia, \$8,990 in New South Wales, in Victoria it is a similar amount to that in South Australia, \$8,835 in Western Australia, and it plummets down to only \$3,000 in Queensland. I think the picture is very clear. It is punitive and it is unacceptable compared to the other states.

Land tax is a real killer because, if we compare a property around the country valued at \$1 million, the tax is \$11,420 in South Australia, \$10,356 in New South Wales, \$2,975 in Victoria, \$4,500 in Queensland and \$700 in Western Australia. Again, there is a big disincentive to stay in South Australia and, not surprisingly, that means we are losing over 4,000 people net a year from our state to other states.

Our net migration is completely in the reverse direction of the State Strategic Plan targets. More importantly, it is the loss of a major resource for our workforce and the provision of finance in this state, and that affects those who can productively employ their income for the purposes of home ownership and/or private rental.

Time expired.

*[Sitting extended beyond 18:00 on motion of Hon. J.W. Weatherill]*

**Mr PENGILLY (Finniss) (17:53):** I indicate that I support the bill, and I will take the opportunity in the time allotted to raise some issues of concern to me and the people in my electorate, and also to make mention of some issues in other electorates near mine where people have concerns about where the government is going in regard to its financial accountability, expenditure, etc.

I find it amazing that a government that was so strongly opposed to the goods and services tax is now so totally reliant on the goods and services tax that it gets itself in such a mess. Incomes over the last few years have been quite outstanding, and the government could well have saved a considerable amount of money and put a lot of money away for a rainy day or a global financial crisis but it did not choose to do that. It tended to be fiscally irresponsible and spend money on all sorts of things that were not in the long-term benefit of the state, and it really had no idea where it was going.

If we take time to listen to South Australians at large about what is not happening (instead of listening to them about what is happening, because that does not take too long), we will find they are pretty disappointed and looking for far greater financial accountability and far better management of the state's finances than we are receiving at the moment.

The Mid-Year Budget Review revealed the lack of financial management of this Rann Labor government. Revenue figures actually illustrate a healthy sum. For example, the state's net financial liabilities to revenue ratio is now 87.3 per cent and is expected to reach 92.1 per cent next year, meaning that in seven years the government generated \$3.7 billion while expenditure figures stayed otherwise. The public sector figures show lack of financial discipline and management by the Rann government.

We in South Australia, much to our dismay on this side of the house, are currently rating second for having the worst deficit budget in Australia. It is not something we can be very proud of. We have the Treasurer, who thinks he has his finger on everything, running around like a headless chook at the moment, and that is doing none of us any good and is most disappointing.

If we look at the issue of land tax and the failure to amend the land tax system and formula, it is creating enormous angst in South Australia. It is creating enormous angst for private investors—mum and dad who have built a couple of houses over many years for their retirement income are now getting absolutely slugged for land tax. In my electorate there are considerable numbers of retirees who had investments put away to help them through their retirement years, and their incomes are falling apart at the seams and then they get slugged with almighty land tax

bills which cripple them even further. You have to ask: what does this government want from its citizens, particularly its more senior citizens? Does this government want to starve them into submission?

It is totally ridiculous that particularly these self-funded retirees are put in the position of being on the bones of their backsides. Indeed, many of them were self-supporting and did not require aged pensions or government assistance. They did everything themselves and generated enough income to keep themselves going, have holidays and participate fully in the community. They are now having to apply for pensions and part pensions just to live. It is an absolutely ludicrous situation.

I have a constant stream of constituents coming into my office raising concerns about the land tax issue, along with the River Murray and the effect of the lack of water in Goolwa and the Lower Lakes in my electorate. These are two of the biggest issues that cause great concern to the electors of Finniss.

I seriously wonder what this government intends to do for anyone who lives outside the metropolitan area. We have just the simple issue of public transport. To all intents and purposes, there is no public transport outside the metropolitan area—it just does not exist. There are council-supported services and, indeed, it is extremely difficult for councils to find money to run community buses and such.

My personal view is that councils should not have to run bus services. It is not their job. Councils' jobs are well stipulated and they have extremely limited revenue sources. Councils are limited to just their rates income and grants they can get from the state and federal governments. We know about the federal grants schemes for the states and councils. However, councils are having to move far outside their prime responsibility. I was a part of local government for many years and I am probably well aware of what they have tried to do, but they have gone outside what they should be concentrating on.

The old adage that they are responsible for roads, rates and rubbish has not really changed all that much. They are the three Rs of local government, yet they are bound down hideously with the requirements of the planning laws of this state and adjudicating on planning. They have to deal with a host of other things. They can put levies on rubbish collection—and let us not forget that the bureaucratic clots in the EPA, who have enforced all sorts of requirements on local government in relation to waste disposal without any responsibility, have a fair bit to answer for. We still let them roll along and do what they like and the poor old councils have to pick up the slack from that. I do not mind giving a council a bit of a belt around the ears if it needs it but, by and large, most of them do the right thing. Those without sin can cast the first stone, but that does not apply in many cases.

I am greatly concerned about the amount of money—or, more to the point, the lack of money—that is spent in rural and regional South Australia by the government and the failure of government to deliver on expenditure. For example, we have just witnessed the opening of the new Rapid Bay jetty, a project of some \$3.9 million. That project fell under the radar of the Public Works Committee because it was under \$4 million. I am yet to get the paperwork on it, but I am informed that the Rapid Bay jetty did not cost \$3.9 million but, rather, \$6 million. I have been informed of that figure by someone within the system. They have advised me that amount of money was required to finish the Rapid Bay jetty.

The Rapid Bay jetty, which was badly needed and which was announced, conveniently, for the 2006 election, was opened recently. Certainly, it will be a great asset to tourism on the Fleurieu Peninsula, and I commend members of the Rapid Bay, Second Valley and Delamere communities who pushed for the jetty to be built. However, if it is proven that the cost of this jetty was \$6 million rather than \$3.9 million, someone must be held accountable; so we will have to look at that situation.

So many things need doing outside the metropolitan area, and I appreciate fully that many things need doing within the metropolitan area. However, the cost of maintaining roads and upgrading roads is a huge issue outside Adelaide.

Another issue of critical importance in my electorate is the sea corridor between Kangaroo Island and the mainland. This has been festering away forever, without its being fixed. I know that the Kangaroo Island Council, Kangaroo Island Development Board, the farming community and others have pushed to have some sort of justice given to islanders and producers; and I put on the record I am a producer on the island, as well as working in this place.

How is it that this government can find the money to extend trams to the Entertainment Centre and in the city, yet it cannot find the money to fix up the sea corridor between Kangaroo Island and the mainland? How is it that every time a member of the public gets on a punt to go across the River Murray—where there is still water that the punt can travel across, I might add—they do not have to pay to go on the punt? How is it there is a subsidy to travel between the mainland and Tasmania? How is it that the issue of the sea transport corridor between the mainland and Kangaroo Island has never been resolved satisfactorily?

The government can spend tens of millions of dollars putting trams to the Entertainment Centre—and they are lovely, fantastic—but it does nothing for the economy of the rest of the state. I do not care what people say. We can fluff around and talk bubble and froth all day on that issue, but the reality is that while Nero fiddles over here Rome burns—and it is just not good enough.

A few issues in the electorates of Mawson and Kaurana have been brought to my attention. A resident from that way was today bewailing the fact that nothing is happening. They are immensely alarmed about the rise in crime throughout the southern suburbs in the electorates of Mawson and Kaurana. They live in the area and every night they witness criminal activities, which are allowed to continue. The much vaunted Aldinga Police Station shuts at 5 o'clock; it's done and dusted. Indeed, if you ring Yankalilla, Goolwa or Victor Harbor police stations in the evening you go straight through to Christies Beach. Well, that is a lot of good because you then go into a long process. The government says that it is tough on law and order. Well, it is about as tough as a feather duster as far as I am concerned. It is the next best thing to useless. What is going on is a joke. The police are hamstrung in what they can do.

**Mr Goldsworthy:** They are under-resourced.

**Mr PENGILLY:** The member for Kavel says that they are under-resourced. Of course, they are under-resourced. They go through this process where, if they do get caught and they are charged, they will get a smack on the wrist. They might get 2½ years in prison for some diabolical crime and then they are out and back into it. The people down south are sick of it. They are sick of graffiti, and they are sick of hoon driving. It was put to me this afternoon that the best thing for some of these hoon drivers is to do what they do in America—grab their car, dad's car, or whoever else's car they are using, and put it in a car press and get rid of it.

**Mr Goldsworthy:** Crush it.

**Mr PENGILLY:** Crush the car. Get serious with it instead of stuffing about and doing nothing. Crush the cars. If they have done something ridiculous in dad's car and it gets crushed, well, too bad.

*Mr Goldsworthy interjecting:*

**Mr PENGILLY:** Yes; a late model Mercedes Benz. Some members in here might not have one, but there are a few around. We have to get realistic about this stuff. The resources are just not there to do anything about it, despite the longwinded puffing and blowing of the Premier. If it is good news, good news Mike is there, otherwise he is nowhere to be seen. He ducks for cover like a snake on a hot day when you prod him under a bush—they are off, they are gone and there is nothing happening.

What is going on down south is criminal. Mitsubishi closed down a couple of years ago. The gentleman mentioned today used to work for Mitsubishi. He finally found a job, but he has torn himself in half trying to find work. He is concerned about his future in doing what he is doing now. He raised the issue of Mitsubishi: he worked there for 21 years, and he thought he was there for life. He has many friends from his Mitsubishi days who still have not found work.

So, what is the government doing for the south? About sweet FA, in my view. Port Stanvac is sitting there like some mausoleum. What do we have there? The Treasurer announced that nothing is happening until 2019. We have a rusting hulk of a refinery down there, and the jobs have gone. Kimberly-Clark has gone from the south. What is the government actually doing for the south? What is it doing for the people of Mawson, Kaurana and that area? It is doing very little, I suggest. There is a large host of issues that the government is not addressing.

Going back to my electorate and the issue of health, the people there are vitally concerned about the future of rural health. Although the South Coast hospital was not earmarked for extinction, like some others, the fact of the matter is that it will be slowly sucked into the Flinders hospital and the health system in that area. It will have services withdrawn.



After three years of pushing, prodding and proposing that the government gets on with it—and I know my predecessor also pushed for this—we finally had the announcement of two dialysis chairs for the South Coast hospital. However, that is with a generous donation of \$80,000 from the Port Elliot CWA. That is a huge benefit.

People with major concerns regularly come into my office. They are elderly people who have no public transport, and they have to get to Adelaide for treatment and appointments. We do have Medi Ride, which cannot take everybody. They worry constantly about going to Adelaide for these appointments, and they do not want to drive.

The Adelaide-Victor Harbor Road has been mentioned many times in this place. If you are 80-odd years old and have to see your heart specialist, you certainly do not want to drive your 20 year old Commodore up the Adelaide-Victor road on a 38° day—trust me. It is not fair that these people should have to put themselves under such pressure and duress by going back and forth to Adelaide on a regular basis; it is simply not fair.

Education is also a major issue that is being underfunded and not addressed properly. There was an announcement of super schools, but the reports that I am getting from the schools in my electorate are that they are still underfunded and just do not have the resources.

*Mr Goldsworthy interjecting:*

**Mr PENGILLY:** Once again, as the member for Kavel says, they are under-resourced. They do not have the ability to do what they should be doing to their full intent. Earlier, the member for Unley had a fair bit to say about the education system generally. We have had a long delay in the Victor Harbor High School redevelopment, which was first announced and budgeted for in 2001 by the former Liberal government. Only now in 2009 are we seeing the commencement of work on the site. The South Coast TAFE still has not yet come to Public Works. It was announced in last year's budget; we are nearly at the next one, and it still has not ramped up.

The Labor Party does not have a lot of peccadillos down our way, I can tell you. If it wonders why it does not get too many votes down south in my electorate, perhaps it should have a bit of a rethink about things.

Our people are good people. They are terrific, and they are the salt of the earth, yet they are being treated with disdain and contempt by the Rann Labor government. Good things come to those who wait, and I cannot wait for 20 March 2010. It is symbolic of a catastrophic government in terminal decay. Heaven knows what it will come up with in the next state budget. One cannot continue just to plunder the state's finances, spend money on useless things that do not produce anything and expect to be re-elected.

Time expired.

**Mr VENNING (Schubert) (18:14):** I would like to say at the outset that I support the bill, as we all do. It is necessary for the first few months of the 2009-10 financial year, as it ensures that government departments and agencies will receive funding to cover their costs until this year's budget has passed through the parliament later in the year.

The state Rann Labor government has had a large amount of state and other tax-generated revenue at its disposal since the 2002 election, and it has managed the state's finances very poorly indeed. We repeatedly hear from the Treasurer that the biggest problem is the decline in revenues caused by the global financial crisis. However, there are many examples demonstrating that poor financial discipline and management have placed South Australia's finances in an uncertain position.

We heard again yesterday that WorkCover is a prime example of this government's poor financial management. The WorkCover debt is increasing, and it has now increased to \$1.3 billion—already half of the debt that led to the State Bank collapse. We on this side of the house repeatedly warned over the past few years that the unfunded liability was growing out of control. What decisive action did the government take? None! The fact that unfunded liability has grown to such a level was blamed this year on the global financial crisis. Last year, it was because of a poor return-to-work rate. I wonder what the excuse will be next year.

As a result of the state's unstable financial position, the government has embarked on a set of strategies that make little economic sense, including selling the buildings it occupies and renting them back. That is crazy; it is like selling the farm and then buying it back.

**Mr Pengilly:** Not such a bad idea sometimes.

**Mr VENNING:** Well, the way things are, it's happening, I'm afraid. The government is selling 600 government employee houses at a low point in the housing market especially in country regions as a result of the dreaded shared services strategy, which is a death strategy for country residents in our regions and totally contradictory to the principles of decentralisation and regional development. Another strategy is reducing incentives for teachers, police, doctors and nurses to work in regional South Australia—a stupid decision.

The government is deferring infrastructure that has a community value such as the new prisons and continuing with infrastructure that has little or no economic benefit such as the \$162 million tram extension to the Entertainment Centre. How many South Australians will benefit from that? What percentage of the population will actually use it?

It is continuing with plans to build a new rail yard hospital, which the government claims will cost \$1.7 billion but more specific costings are unknown, as it disappeared from last year's budget papers altogether. With remediation of the site and other blow-outs, this figure will certainly rise. We all know one thing for sure: it will be a huge cost—another State Bank.

I remind members that we are already halfway to the State Bank debt. In another year, we will be three-quarters of the way there. Despite the Rann Labor government having more revenue at its disposal than any other South Australian government in history, seven years after it was elected to power, it has built nothing, saved nothing and provided nothing for the future.

In the previous Labor government, I was on the Public Works Committee and, time and time again, I said, 'Where are the projects? You are earning the money; you are getting the GST, but where are the projects? What are you doing with your money?' And what happened? Nothing! Now there is a mad scramble to do these things with projects that cost twice as much, and we do not have the contractors or enough building expertise to build them on time.

The government is announcing the start of the desal plant today after five years of drought. It should be opening it, not just starting to build it. I sailed, and then also drove over, the River Murray last week, and it is pretty horrific. It is in a terrible state. When you see it from up top, the pumping station at Mannum looks like it is in a puddle at the moment. It is a big concern.

The Mid-Year Budget Review revealed that the 2008-09 state revenues actually improved by \$180 million since the 2008-09 budget handed down on 5 June, but expenses blew out by a massive \$453 million. Expenses, expenses; it is like life. We all know people who earn big salaries, but they never have any money. The only way to have money is not to spend it or waste it. I have a banker alongside me, and he would know the way people handle their money. People can do very well with very little; it is just the way you manage it.

I believe the Rudd stimulus package that we have before us is the wrong strategy. I look at my own private life, and it is the wrong strategy. It is as if you have a crook bowel. What do you do if you have diarrhoea? You do not feed it; you starve it. It is very similar. I believe the economy has a bug which is this corporate lending situation, and I believe there are a lot of crook deals out there, a lot of very poor banking decisions made, and the only way you are going to sort them out is to put people through pain.

I hope the people who made those decisions, the bankers who lent the money, have to put up with that pain as well. I believe that throwing money at the situation is only going to prolong the agony, because when there are bad financial deals out there, they are still going to be out there at the finish of the stimulus package.

I believe that it is very different to the Depression that we had back in the 1930s. Although we are going that way, it is quite different. You can spend when you are on the way out; spend like mad when you are getting out of it to get people back on their feet, but you do not when you have the tummy ache. You wait. You have to put the thing through the processes. It is companies like GM in America that will affect everything that we do here. It is a very interesting and fascinating time, but it is extremely difficult and hurtful, and very concerning to the rank and file of South Australia, particularly the younger people and those who have lost their jobs or those who are worried that they might.

It is clear that this government does not have so much a revenue problem, but a spending problem. South Australia now carries the second worst budget deficit in the nation, with only New South Wales being worse. It definitely seems strange that, given the current state of South Australian finances, cabinet decided to delay a pledge made by the Rann government to cut government advertising over the next three years—but 1,600 public sector jobs will be axed. How

gross is that? I have said all along that this government spends millions on itself. It is the waste within itself that is the big problem, particularly its spin team—it just soaks up millions of dollars. The government does not cut that, and the government, taxpayer funded advertising rolls on and on and on.

State levies and taxes have increased astronomically since the Rann Labor government was elected to power. Payroll tax has increased 52 per cent. Taxes on properties have increased 104 per cent, land tax being a staggering 250 per cent, the highest in Australia. I know what I pay in land tax. It is just through the roof. Nobody else in Australia would pay at this level. The member for Napier would have rental properties, and he would be paying it, too. As a businessman, he would know, too. I feel for people who have to have rental housing. Really, it is a serious issue. One can understand people going interstate to buy properties, because it is a lot cheaper to run and operate a rental property in New South Wales than it is in South Australia.

Motor vehicle, gambling and insurance taxes have all increased. Overall, taxes have increased 63 per cent since 2002. It would all be well if we had something to show for it, but we do not. South Australia has been the most severely taxing state each year under the Rann Labor government. The 2001-02 financial year was the last year South Australia was not the most severely taxing state. Of course, that was the last year of the previous state Liberal government. When we consider what we did from 1993 to 2002, it was fantastic, considering the debt that we took on. We were able to deliver at the end of that period, and this government is doing exactly the opposite. It is an absolute disgrace. I think history will show that these years will be called the wasted years.

Given the vast amount of revenue at this government's disposal, it makes one think about what we have to show for it. We have no desalination plant, no extra health services, no extras for transport in regional areas, no electrification of the rail network, no new stormwater harvesting infrastructure and no new Barossa Hospital. Where has all the money gone?

We are in the midst of the worst drought in history, yet this government continues to waste time dragging its heels in getting infrastructure constructed and operating to reduce Adelaide's reliance on the River Murray. There is no argument there. If you go out into the street and ask South Australians what the biggest issue facing our state is, it is guaranteed that most will respond: water, water, water.

Given the vast amount of taxpayer generated revenue this government has at its disposal, it seems that South Australians deserve solutions to the biggest problems facing the state, but this government is yet to deliver any large projects to ensure our water supply for the future. Even the big \$10 billion package deal that our Premier trumpeted he had won for the state when John Howard was prime minister—he trumpeted that he had the better deal. He got his way, but what do we have? We have achieved absolutely nothing. John Howard was right and the Victorians still have far too much say. They have the power of veto, which makes it worse. We are thinking about weaning Adelaide off the Murray and they are putting Melbourne on. What a disgrace.

Total dividends and payments to South Australia from SA Water are budgeted to be \$273 million in 2008-09 and, since 2002-03, the total stripped from SA Water is \$2 billion. Yet, despite the dividends that SA Water is paying to the government, it seems to have trouble paying its contractors on time. I am aware of one contractor who is owed \$30,000 and the account is one month overdue.

I acknowledge the government's recent announcement of free travel to pensioners on Adelaide's Metroticket network, but what about their country counterparts? Where is the equity? They contributed just as equally, and in some cases more, through taxes and levies to the revenue this government has available to it. The government should have pledged more funding to the 11 community passenger networks that service regional and rural areas, to give pensioners who live outside metropolitan Adelaide the chance to receive some discount benefit when utilising the transport service in their area—as their city counterparts do.

We are all aware that global financial uncertainty has affected the motor industry enormously, with Holden suffering as much as any. This resulted in the recent decision made by Holden management to consolidate the current two day and afternoon shifts into a single shift. Each shift will work alternate weeks, with those in the gap week receiving 50 per cent of their normal pay. This will impact on 3,150 South Australian General Motors Holden workers, along with employees of component manufacturers.

The downturn of Holden has the ability to impact quite heavily on this state. I am proud to drive a Holden, and I always have. My wife also drives a Holden; so do my children. However, because of the principle of free trade I am not allowed to make comments like that, I cannot say that; but I am. If we went out and looked in the parliamentary car park we would see that yes, there are a lot of Fleet SA cars there and most of them are Holdens, but look at the others. Until we had the Fleet SA deal there were all sorts of cars there. I always drive my own Holden, as I do now a Fleet SA car.

A few weeks ago I was imprudent enough to publicly state that we should all drink more South Australian wine—especially sauvignon blanc—in lieu of the trendy New Zealand product. It is well marketed, but we have wines as good or even better. Well, the sky fell in. Emails went mad, and I had all these comments from people saying, 'Hang on; what happened to free trade? We are a net exporter.' Blah, blah, blah. I bet that when all these young people (and I can see one in the gallery) go out on a Saturday night and order a wine, it will be a white wine and it will be a New Zealand wine—probably Geisen sauvignon blanc.

**An honourable member:** Not in my house, Ivan.

**Mr VENNING:** Absolutely. It is a trendy thing, but I got into big trouble for saying that. However, I got the message out there because we have some very good sauvignon blanc wines in South Australia—probably not so much the Barossa but certainly the Adelaide Hills and the colder regions south of Adelaide. We have some beautiful sauvignon blanc wines and it should be trendy to drink them. However, as I said I got into trouble again.

The Treasurer has categorically ruled out government assistance to sustain Holden similar to what occurred with Mitsubishi, saying that he would not subsidise any car company to the tune of \$45 million a year—but has the government offered any other ideas that may help to ease the problem? No. It seems that revenue from Fleet SA purchasing times may help. Until 2005, vehicles were retained for two years or 40,000 kilometres but the government then made a decision to change it to three years or 60,000 kilometres. The Rann state Labor government should support the South Australian car manufacturing industry by changing Fleet SA purchasing policy to two years or 30,000 kilometres, or at least do a feasibility study on that.

According to the budget papers from between 2001-02 and 2007-08, public sector full-time equivalent numbers have increased to 14,842. The Auditor-General revealed that the increase in providers of core public services for the same period was only 4,414—meaning that 10,428 extra public servants have been employed in general administration and spin doctoring. So, when we ask where the money has gone, that is where it has gone. I bet the government is not paying them \$30,000 or \$40,000 a year; most would be over \$100,000. It is certainly very revealing and I thank the Auditor-General for providing that information. What would the employees of Holden and the component manufacturing companies think about that increase in employees, when the government has refused to do anything at all to show its support for the car industry?

The Rann state Labor government was judged by the Commonwealth Grants Commission to have levied land tax more severely than the national average of 126.35 per cent, and overall taxes more severely than the national average by 11.78 per cent. It is staggering. Every day South Australians deserve more from their government. They are contributing more than ever to the state Rann Labor government's budgets through the highest taxes and levy regime in Australia, and they need to see more action.

I would finally like to float the idea of South Australia mirroring the new Western Australian government where it has implemented a royalties for regions policy, where 25 per cent of mining and petroleum royalties collected by the state will be allocated to new projects and services in regional Western Australia. Already planned expansion for regional projects and services will not be accounted for as royalties for regions funding but any additional funding over and above the planned expansion will come out of the RR funding. RR will be delivered through three new funds: first, a regional infrastructure and headworks fund; secondly, the country local government fund; and thirdly, the regional community service fund.

Funds will be appointed at the start of each financial year and drawn up through the normal cabinet processes. RR funds will be legislated and work on drafting that legislation has already commenced. Cabinet submissions for a major injection into local government are being prepared along the scheme to deliver a fuel card for country aged pensioners. I would certainly support this. I wonder whether the National Party member for Chaffey will support us in this matter, because I think it has a lot going for it. In the past 30 years country people have been sorely missing out.

I could never make a speech like this without mentioning my favourite subject—the Barossa Hospital. It is a disgrace. There is money being thrown around everywhere by the Rudd government and, indeed, by the Rann government, belatedly, but nothing seems to come the way of the beleaguered Barossa Hospital. It is appalling.

Here we have a growth area, one of the best growth areas in the state—the wonderful Barossa where tourists come from far and wide. I certainly hope they do not get sick because the Barossa Hospital is far below par. I am amazed that people get the standard of service they do in that hospital. The staff working there are fantastic and give wonderful service, but the facilities we ask them to work in are an absolute disgrace.

The other thing is that with all these visitors coming to the Barossa, how are they going to get there? I cannot believe that every day in the paper (and the member for Light would know this) there is more and more public comment about the fact that there is a railway line there that could be used to get people to the Barossa. Yet the government will not even trial either a passenger train or a wine train. A private person, Mr John Geber, bought the wine train and we cannot even allow him to operate it. Really, how dinkum is the government?

**Ms Breuer:** Who's going to pay for it?

**Mr VENNING:** The Barossa pays more than its fair share of taxes—absolutely. I have to say to you that right now the Barossa is really hurting. I was talking to some winemakers last night, in the middle of the night, midnight, out on their grape harvesters, picking grapes.

*An honourable member interjecting:*

**Mr VENNING:** No, I was here in this building and they were on their mobile phones, picking grapes. Do you know what they were doing with them? They were putting them on the ground. And those they sold they got \$230 or \$240 for them, but last year they got \$800 or \$900 for the same grapes. Many have sold approximately a quarter of their crop at that price and the rest is going on the ground. You don't need to be Houdini to know what will result, do you? These poor people are bleeding.

How stupid is it that they are out there planting vines today? They are out there planting more vines when the biggest problem of all is overproduction. What the hell is going on here? Where are your market forces working here? What is happening? I am going to work with the new minister, Mr Caica. I look forward to working with him because I have a lot of faith in him. I think we should go up there and have a good look at this problem.

**Mr GOLDSWORTHY (Kavel) (18:34):** I, too, am pleased to make a contribution to the debate this afternoon on the Supply Bill. It is a very important piece of legislation, to continue the flow of public moneys to various agencies to ensure the state operates on a satisfactory level until the budget process is finalised later on in the year.

It is important to lay some facts on the table here this afternoon; the facts of the matter concerning the financial situation that this state finds itself in. I initially want to comment on matters concerning the 2008-09 Mid-Year Budget Review. The fact of the matter is that the government does not particularly have a revenue problem; it actually has an expenses problem. Despite claims by the Treasurer and his government that his biggest problem is declining revenues caused by the global financial crisis, the numbers tell a different story. The fact is that revenues have improved in the seven months since the June budget, but expenses continue to spiral.

Poor financial discipline and poor management of the public sector have landed South Australia in a financial mess, and we have known this for many years. We have seen the burgeoning of the Public Service in this state pretty well since the Labor government came into power in 2002. We have seen a continual blow-out in public sector numbers, and that, as highlighted in previous speeches made to the parliament in relation to other budgets, is where a fair amount of the government's money has been directed.

As a result of the current situation we find ourselves in, the government has embarked on a set of strategies that really make little economic sense. As highlighted by other members in the chamber, we are looking at this state being faced with having to sell 600 government employee houses at a really low point in the housing market, reducing incentives for teachers, police, doctors and nurses to work in regional South Australia.

Another issue is the deferral of infrastructure projects that have community value, such as the new prisons. Also, we see the government continuing with infrastructure that has little or no real

economic benefit, such as the \$162 million tram extension to the Entertainment Centre, and shortly I will speak a little more about the government's plan in relation to its transport infrastructure, particularly the construction of a new tramline, which will continue from the Entertainment Centre down through the western suburbs to Semaphore and Outer Harbor.

I want to make some remarks in relation to incentives for police, doctors, nurses and teachers to work in regional South Australia, particularly relating to health services in my electorate of Kavel, as well as police resourcing in the Hills district. We hear the government bung on continuously about how it has increased the number of police out on the beat. The government says that its recruitment of new police is going to plan. Well, if more police are being recruited and the net number of police in the police force is increasing, it would make sense to suppose that there would be more police out on the beat.

But what do we see? Just last week, we saw a striking example of the under-resourcing of the police. We heard via the media that the police were called to a shopping centre, I think it was, where some security guards were holding a person who had been allegedly acting in an unlawful manner. The security guards tried to constrain that person. They called the police, but that person was able to escape from the security guards, thereby avoiding arrest and being taken into custody. If the reports are correct, it took an hour for the police to respond to that call. From what I understand it was a high priority call. What does that say? It is not the police's fault, because they are stretched to the limit; it is the government's fault.

The government has banged on continually about increasing police resources. If it is increasing police resources, why is it taking an hour for police to attend a high priority incident? I will tell you why: it is because the government's spin doctors have been at work and the net increase in police numbers has not been achieved, according to the government's plan. If it had, and more police were on the beat, they would be able to respond to these incidents.

That is one example, but I am sure there are myriad examples of issues relating to that. It is not the fault of the police. I think every member in this place holds the police in the highest regard. They do a very good job in difficult circumstances resulting from this government's policy.

In relation to transport infrastructure, the government is proposing to run a tramline down Port Road to Outer Harbor and Semaphore. I have asked this question, and nobody can give me an answer, because I do not think there is a sensible answer: why would you build a new tramline 150 metres from an existing train corridor which the government is proposing to electrify and which basically takes passengers to those destinations at Semaphore and Outer Harbor? Why is the government proposing to spend all that money—unnecessary expenditure on unnecessary infrastructure? I have asked that question, and nobody can give me a decent answer. There is no decent answer. It is an absolute waste of money.

The government is planning to electrify the railway line that is 150 metres from this proposed corridor, so you are getting a double lot of expenditure: you are electrifying the rail corridor and you are building a tramline. It does not make sense, which is one of the hallmarks of this government—a lot of its actions do not make a lot of sense.

Returning to specific issues relating to financial matters, by the end of this government's eight years in power we will see the results of its lack of insight and lack of planning, and the state will be faced with the fact that very little infrastructure has been built. We will see no money having been saved, providing nothing for the future. We hear the shadow ministers and members of the state Liberals saying that the government is relying on borrowed funds to prop up its budget.

That takes me to matters concerning our fiscal position and outlook. At the time of the Mid-Year Budget Review, there were budget deficits on all three accounting measures: the net lending deficit was \$819 million in 2008-09, the cash deficit was \$801 million in 2008-9, and the net operating deficit was \$112 million in 2008-09. All of these have worsened since the Mid-Year Budget Review.

In 2002, Labor stated that net lending/borrowing was the measure it would use for budget results; however, because this meant measures have subsequently slumped in the deficit, the government has discarded it and now uses the net operating balance measure—an easier measure through which to run a surplus. But now this, too, has plunged into deficit. What accounting measure will they use now?

The Mid-Year Budget Review revealed that the 2008-09 state revenues actually improved by \$180 million since the 2008-09 budget was handed down on 5 June last year. Expenses have

blown out by a massive \$453 million. The Rudd Labor government is covering the Rann Labor government's expense blow-out. The state will receive \$420 million in additional funds from the Rudd Labor government in 2008-09 in health, education, housing and community service payments than was anticipated in the 2008-09 budget.

Since the budget, state taxes are down by \$48 million and GST grants have slumped. We know that. The unfunded superannuation liability has blown out from \$5.1 billion in 2006-07 to \$9.3 billion in 2008-09. That is an almost 90 per cent increase in the unfunded liability. These blow-outs are driving the state's financial liabilities to levels which may well jeopardise our AAA credit rating.

I will speak now about the impact of the financial market crisis. Returns on the government's invested assets under management, that is, Funds SA, WorkCover and the Motor Accident Commission, were all negative in 2007-08 as a result of exposure to declining international and domestic equity markets. In 2007-08, Funds SA incorporated the Motor Accident Commission's funds under management, as well as a couple of other funds, which masked its total losses.

Since 30 June 2008, notwithstanding revenue into and out of the fund, Funds SA's investments of \$14.1 billion have fallen by \$3.7 billion, and WorkCover's investments of \$1.3 billion have fallen by \$314 million. These losses total \$4 billion and present a major risk to the state's finances going forward.

A few moments ago, I touched on the issue of the AAA credit rating of the state. It concerns me that that credit rating is now in jeopardy. It is hanging by a thread. The state's net financial liability to revenue ratio is now 87.3 per cent, and forecast to reach 92.1 per cent next year. The leader outlined those issues accurately and effectively in his contribution earlier today.

We then go on to talk about taxation. It is a Labor government hallmark, and we saw it with the Whitlam years in the seventies, throughout the nation (federal and state governments) that they are high taxing, high spending governments. From earlier comments, examples and figures that I have given, we know that it is with spending that the government is in crisis. It cannot control its expenditure.

I will not outline or give a comparison of state tax revenues from 2001-02 to 2008-09, but I want to talk about land tax. Land tax is a major issue to business in this state. A number of business people in my constituency have approached me and they are extremely concerned about the effect that land tax is having on their business. It is crippling their business to the point where they have had to sell some of their commercial property and look to invest interstate.

What sort of a signal is this government sending to the business community when good, viable, productive businesses, which employ high numbers of people, have to sell part of their asset base and move it interstate purely because of the crippling taxation regime in this state? It is a restrictive, choking, strangling taxation regime that we are currently experiencing under 'hard Labor', and I think that is a real indictment against this government.

We have heard the Treasurer on the radio trying to defend the indefensible. Some of my constituents have rung the radio stations and challenged the Treasurer about his position on land tax and, basically, he has said, 'You should be happy; you are getting richer because your asset is growing.' We all know that that argument holds no water whatsoever. The reality of the situation is that businesses are having to shed their assets and move their money interstate, and that is a policy that is negatively affecting economic activity here in South Australia.

We have also heard members on this side of the house speak in relation to the continuing blow-out in WorkCover liability. The Minister for Industrial Relations has again defended the indefensible with respect to the burgeoning WorkCover liability. The shadow minister for industrial relations, the member for Morphett, put it extremely accurately today when he exposed the real fact of the matter, that other states that are experiencing the same effects of the global financial crisis, for some incredible reason, are not experiencing the same effects as our WorkCover scheme.

We were prepared to support the government's proposals in the legislation that was before the parliament last year; we were prepared to give it a go. We supported that legislation in good faith. However, we have seen continual chaos and crisis. The legacy of this Labor government is that the state will be faced with financial ruin. The legacy of this government will be that of failure, and that is a consequence of this government's failing the South Australian community.

Debate adjourned on motion of Mrs Geraghty.

**IRRIGATION BILL**

The Legislative Council agreed to the bill without any amendment.

**RENMARK IRRIGATION TRUST BILL**

The Legislative Council agreed to the bill without any amendment.

**SURVEY (FUNDING AND PROMOTION OF SURVEYING QUALIFICATIONS) AMENDMENT  
BILL**

The Legislative Council agreed to the bill without any amendment.

At 18:56 the house adjourned until Wednesday 8 April 2009 at 11:00.