

HOUSE OF ASSEMBLY

Tuesday 12 June 2012

The SPEAKER (Hon. L.R. Breuer) took the chair at 11:00 and read prayers.

The SPEAKER: Honourable members, I respectfully acknowledge the traditional owners of the land upon which this parliament is assembled and the custodians of the sacred lands of our state.

THEVENARD PORT FACILITIES

The Hon. P. CAICA (Colton—Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and Reconciliation) (11:01): I seek leave to make a personal explanation.

Leave granted.

The Hon. P. CAICA: On 31 May the member for Flinders asked me a question about marine parks and the proposed fish unloading facility at Thevenard. In my response I indicated that there had been no commitment from the state government for the proposed fish unloading facility.

I have since been advised that the state government, through the Regional Development Infrastructure Fund, has committed \$1.497 million to the District Council of Ceduna for assistance with the dredging for the development of a fish unloading harbour. The project is dependent on leveraging \$5,679,442 from the commonwealth's Regional Development Australia Fund.

APPROPRIATION BILL 2012

Adjourned debate on second reading.

(Continued from 31 May 2012.)

Mrs REDMOND (Heysen—Leader of the Opposition) (11:02): I indicate that I will be the lead speaker for the opposition in relation to this bill, which I recall when I moved the adjournment I described as an 'appalling budget' and, indeed, that was an accurate description.

On 31 May, Labor delivered its 11th budget, belting South Australians around the ears for the 11th time, only this time it is going to hurt a lot more with a history-making triple whammy—the state's highest ever debt, the state's highest ever deficit and the downgrading of the state's AAA credit rating.

The Hon. J.J. Snelling: You said you weren't too concerned about that.

Mrs REDMOND: Listen to what I say about that, Treasurer.

The SPEAKER: Order!

Mrs REDMOND: Labor's ability to break financial records is breathtaking. Its ability to sound like a broken record is also extraordinary, as it blames everyone and everything instead of taking a good hard look at itself. What a brilliant legacy Labor will leave! What a magnificent hook to hang your hat on, Premier Weatherill, and his amateur boxer of a Treasurer. What a great distraction that was on budget morning—let's go to the boxing ring. They are dragging this state to the edge of economic oblivion. Indeed, we may even go over the edge of that abyss before they are through.

This budget is a lesson in crash and burn economics, pure and simple. It has taught us what a spectacular failure looks like when a government refuses to grasp even the most basic of financial equations, that is, that to fix the bottom line you have to cut spending. It is a lesson they have been told over and over again by the Auditor-General since, I think, 2005-06, but this government just has not listened. Year after year, Labor has promised to do just that, and we have listened year after year as Labor has tried to spin its way out of the reality which is this: you cannot keep spending more than you earn. Not that this government earns it: they got it free. They expected to receive everything and they think that, if they could keep on going for long enough, everything would be alright in the end. That is why, for 10 years, they have been promising us this wonderful, magnificent mining boom. We all hope that occurs, but for 10 years this government has been relying on that happening and, thus far, it has not.

The proof is here for all of us to see. This year's predicted budget surplus—that is right, it was going to be a surplus—was \$304 million. That is what they were telling us they were going to achieve—a budget surplus of \$304 million. Instead of that, they have managed to turn that around into an \$867 million deficit. That is a turnaround of \$1.2 billion in our budget, in a few short years. In fact, they have budgeted for six deficits in seven years. The only surplus being—surprise, surprise—the election year. What a surprise! It would be over \$1 billion more if it were not for some pretty clever creative accounting on the Adelaide Oval.

At the 2012-13 budget, there are deficits on all three measures. The one I have already mentioned is the net operating deficit, which is \$867 million. They have got that one there because that sounds the best. The others are the cash deficit of \$1,952 million in 2012-13 and the net lending deficit of \$1,901 million in 2012-13.

Year after year, the Auditor-General, as I said, warned this government that it could not rely on revenues to continue coming in over the budget to rescue it from its spending addiction. So, way back in 2005-06, the Auditor-General said:

Given the forecast expectation that such revenue growth may not be sustained, control of expenses will be important.

That was six years ago and no-one in government listened. Instead, the rivers of GST and property tax gold were bled dry. Now, the forest will be sold, the lotteries will be sold. There will be nothing left and what they are actually going to leave us with is a \$13 billion debt by 2015.

While that figure is horrifying enough, it is even worse when you think that, when we came out of office back in 2002-03 and they came in, we had that state debt down to \$2.7 billion. So, they will have increased it by more than \$10 billion in their 10 years. I keep saying that, when I am out in public talking about this issue, the fact is this government had all those rivers of gold running in. If they had just kept to their own budget, they should have had money in the bank to protect us against an economic downturn. They should have had money in the bank but, instead of that, they not only spent everything that was coming in but then more, and so we have got a debt.

Premier Weatherill, when will you say enough is enough? You cannot keep abusing this state's credit card. Can I remind you of the Treasurer's own words—and this was on his first day in this house as Treasurer? He said:

I will not allow this state to run up a credit card debt which [will be] left to our children to pay...

That is what he said on 8 February last year:

I will not allow this state to run up a credit card debt which [will be] left to our children to pay...

But, Treasurer Snelling, this is exactly what you have chosen to do. You have chosen to increase the debt because you say you do not want to punish the electorate. Treasurer, leave Parliament House, go out into the electorate and you will see they are already being punished every day, thanks to your addiction to borrowing.

What is more, they will be punished for years and years into the future and so will their children and so will their grandchildren. Remember, with that hospital which they are going to build and which we will start paying for in about 2016, the child who was 15 when they entered into the contract will be 50 and still paying off that debt when it comes around—\$1.1 million a day of that debt. At some point those borrowings, that credit card debt, has to be paid off. Right now we can hardly afford the interest. It is approaching \$2.3 million a day and that does not include the \$1.1 million a day that will be added to it once we have this new hospital built.

Imagine what the state could do. I hear the gasps when I go around the state and I am out in the regions and the suburbs talking to people. Even when I say the figure is \$2 million a day, I say to them, 'Imagine how this state would look after just one year of those interest payments if, instead of paying interest on a debt we should not have, we were able to go out and say, 'Here Mount Gambier, have \$2 million; here Port Pirie, have \$2 million; here Salisbury, have \$2 million; here Playford, have \$2 million' day upon day upon day.' That is the position we should be in, and instead of that we are going to have to pay it in interest on a debt we should not have. Imagine the better transport, the better hospitals, the better policing we could have—

Members interjecting:

The SPEAKER: Order!

Mrs REDMOND: The cold, hard reality is that this state is going to be crippled by a debt that you have given us. Thanks to this government, we will carry that debt for years and years.

Mr Pengilly: Can't deny it.

Mrs REDMOND: No, they cannot deny it. South Australians are much smarter than you think they are. They are already feeling the pain and they know that you are making it worse. Listen to the lines that are being peddled out of the Labor government regarding the AAA—talk about double speak! Do you want the AAA or not? The messages have been mixed for months depending on what suits you on the day.

Former treasurer Kevin Foley was very clear about what he thought would happen to this state if the AAA was lost. Back in November 2011, he said, 'It would send our state spiralling down into an abyss of debt.' Then, last September, Treasurer Snelling, our shadow-boxing Treasurer, said this. His exact words were, 'We are committed to make sure we retain the AAA credit rating,' and why would you not be when you consider what the loss of the AAA has cost other states.

It is going to cost Queensland \$200 million a year and New South Wales \$375 million a year, but Treasurer Snelling's commitment did not even last 10 months, and now his change of tune is, and I quote again from what Treasurer Snelling said on 1 June this year, just a couple of weeks ago:

I always said if I was confronted with a choice between our historic once-in-a-lifetime infrastructure renewal and the AAA credit rating, I'd choose the former.

Well, he had not always said that; he had never said it before, I do not think. But we are not getting any once-in-a-generation infrastructure renewal. We have trains that we are not going to have going into service, water pipes are bursting regularly so that we have massive problems with our water infrastructure, and we are even borrowing the money to pay the wages. That is what the money is being used for. That does not sound like a once-in-a-lifetime infrastructure renewal; and you only need to look at the construction site of the new Adelaide hospital and the dreadful mess of the once beautiful Adelaide Oval to wonder what on earth is going on.

According to the *Financial Review*, this AAA downgrade will cost the taxpayers over \$22 million in extra interest per year, and that is only part of the debt; but remember, this Treasurer seems to suggest it is only \$2 million or \$3 million, not \$22 million a year. That is what the *Financial Review* says but not what the Treasurer says.

Treasurer Snelling recently misquoted me as saying that I was not too concerned about the AAA, but sadly the Treasurer must be a little hard of hearing because what I actually said was, 'If—that is a big 'if'—'all'—a big 'all'—'the other indicators are good it may not be pivotal'. I said, 'If all the other indicators are good,' but in this state not one of the indicators is good. We have high debt—the highest ever. We have a high deficit. We have high youth unemployment—now something like 32 per cent.

We have high uncertainty. Oh, and do not forget that you have given us the highest taxes of any state and a complete lack of fiscal responsibility evidenced by your own Auditor-General year upon year telling you that you had to rein in spending and you kept ignoring him. May I suggest that you contemplate the financial disaster engulfing European countries and their worrying similarities to our state. The lessons are all there to be learned, but Premier Weatherill and his Treasurer have decided to disregard them, setting our state on very much the same course—a very slippery slope.

There is at least a one-third likelihood that we could further lower our long-term rating on South Australia within the next six to 12 months, according to Standard & Poor's. That is further from the downgrade we have already had. What this Labor government has done to our economy is unbelievable. Your budget claims that it involves some tough choices, but it is nothing but hollow rhetoric. Where are they? You have tinkered around the edges and nothing more. Your budget's theme of strong foundations and a stronger future is just rhetoric. Your budget's punt on GST and other revenues picking up is a pipe dream and nothing more. Indeed, there is nothing to suggest anything other than some very grim times ahead.

On the issue of jobs, Treasurer Snelling, of course, has told us that he is now happy to sacrifice our AAA credit rating for more jobs. As for this 'jobs, jobs, jobs' mantra, where do you think they are going to come from? Former premier Rann—does everyone remember former premier Rann?—just before the last election he promised 100,000 new jobs? Of course now, what do we have? We have 20,000 fewer full-time jobs in our economy than we had when that promise was

made—20,000 fewer. We are going backwards, not climbing the ladder of more jobs. Where are they going to come from, Treasurer and Premier?

They certainly will not be coming from small business, which is on its knees thanks to the relentless rise of taxes and charges. Indeed, the government's abolition of the payroll tax exemption for apprentices and trainees means businesses will pay up to \$1,440 extra per apprentice. Remember this all came about because prior to the last election we had a situation where people received an exemption or a rebate of 80 per cent of the payroll tax that they paid for apprentices and trainees.

We did some costing and said, 'Okay, what we'll do is remove a lot of that red tape and we'll make it a 100 per cent rebate and therefore you don't even need to include them in that anymore.' So by getting rid of the red tape there will be this benefit for apprentices and trainees. Just before the last election the government said, 'Yes, me too; me too'—a la Kevin Rudd—it is an excellent policy, we'll copy it.' So they did, they copied it and introduced it for one year and now they have abolished it. What sort of sleight of hand does this government think they can get away with without the people of this state and the businesses of this state recognising what they are doing?

So your jobs will not be coming from manufacturing, which has failed to attract any support from government. In fact, manufacturing, farming and fishing as a sector in South Australia had more jobs 27 years ago than it has now. The perfect example of government disinterest in manufacturing was Innovate SA, launched with all the usual bells and whistles but then funding was axed. How does that decision support business in South Australia? They certainly will not get new jobs from the housing industry where the real estate market is worse than it was in 1985. Prices have plummeted and the government knows that the real estate market is in severe trouble.

As for stamp duty, last year the government was predicting that this year it would get \$1 billion in stamp duty but the budget papers just released indicate that they have lowered that to \$708 million; that is a reduction of \$292 million in stamp duty that the government was expecting. So the figures in their own budget tell the truth about the real estate sector. I know from talking to people in that sector that things are very tough indeed, so you are not going to get more jobs in that sector and, hence, not in the housing sector.

The jobs may not come from the mining area with storm clouds looming on the Olympic Dam horizon. Again, the much-trumpeted growth in jobs in the mining sector is negated by the figures which show that there has been a growth of only 1,400 jobs in the last 26 years, compared with 64,000 jobs in Queensland and 104,000 jobs in Western Australia. So there certainly are jobs in the mining sector, just not in this state.

Perhaps Treasurer Snelling has an economic lamp he can rub and they will instantly appear and a fiscal genie will jump out and maybe question his 1,000 job cuts to the Public Service. The growth of the public sector has ballooned since Labor took office in 2002 by 20,000 jobs. Just in the last few years they have gone up, even though we have had economic clouds since the global financial crisis—

An honourable member: What do they all do?

Mrs REDMOND: We know there are lots of them doing lots of things. I was in Rundle Mall the other day and there were 14 people apparently from the Natural Resources Management Board entertaining kids from schools but no-one is dealing with the dingoes coming down south of the dog fence, no-one is dealing with the rabbits and the foxes and the pest plants. That is what they were set up to deal with, but we had 14 people under the canopy in Rundle Mall.

Even in these last couple of years since the global financial crisis, we have gone from 84,625 public servants to 86,888 in 2011-12. Again, I quote from treasurer Foley—sometimes people look better in hindsight when you have a new comparison—who said, 'There is no question that the blowout in expenses is a problem.' Hello!

May I remind you that the state is still borrowing to pay Public Service wages, and it will be for years to come. Minister O'Brien—your minister O'Brien—in 2010 said, 'We are actually having to borrow to pay wages. That is unsustainable in the long term.' Hello! It is clear that these people have never run a business.

Consider this alongside the post-budget news that Labor has doubled the amount of money it has paid to consultants and contractors in the past financial year—\$445.7 million to consultants and contractors. That is extraordinary, when you think that these people are paid so

much now. Remember, I had an FOI not long ago that indicated that in the last year, in the Department of the Premier and Cabinet alone—just that department, and they basically are not running the health system or the education system—there were seven people paid in excess of \$300,000. To do what, when the consultants and contractors are having to take all the decisions so that the public servants can say, 'It's not our responsibility.'?

The hypocrisy of this government beggars belief. On the one hand the people of South Australia—the hard-working small businesses (you don't know about those), the struggling families (you don't know about those), young people and pensioners—are forced to cop higher prices and charges, while on the other the Premier maintains this team of high-end public servants who cost taxpayers in excess of \$2 million.

There are many, many hard-working public servants out there, but what justifies seven people in the Department of the Premier and Cabinet earning in excess of \$300,000? That is more than the Premier, and for what? What do we get for it? The money spent on those seven alone could fund the Keith hospital for the next six years, and Premier Weatherill and this government think they are in touch. To me, this shows an incredible and arrogant lack of accountability. It is ignorance or economic stupidity, or perhaps—and I fear this—a combination of both.

Treasurer Snelling, in the real world—that is, the private enterprise world—there are no jobs. Read your own figures: jobs growth is forecast to be 0.5 per cent; youth unemployment, as I have already mentioned, 32 per cent. You have promised jobs before: 100,000 jobs over six years, which was a core election promise, and instead we have gone backwards. Your own forward estimates show there will be less than two-thirds of that, and that is assuming Olympic Dam proceeds on its original timetable, which is certainly looking less likely at the moment.

Jobs growth is running at a much slower pace than the rest of the country, and our young people are running at full strength across the border to find work. We now have more than twice as many people migrating interstate compared to the previous Liberal government's term, and the reason is they cannot see a future here under a Labor government. So, when you say the AAA might have gone but it is suddenly and bizarrely okay because we will have jobs instead, do you really expect South Australians to believe you?

Let us look at families, the people forgotten by Labor. If you drive a car, catch a bus, use water, pay insurance, have children at school—basically, if you live in South Australia—then you are worse off under this budget than ever before. Just ask Treasurer Snelling's wife, who only a fortnight ago on budget eve said, 'My two daughters catch the bus each morning and they have been having a lot of trouble with buses not coming and buses being late.'

Mr Williams: Don't you talk to her, Jack? Doesn't she give you some advice?

Mrs REDMOND: We know that he must talk to her, at least occasionally. Not only will that not be fixed; commuters are going to pay more for a deteriorating service. If you live in the western or northern suburbs and rely on the QEH or the Modbury Hospital there is no good news, because the government has deferred or scrapped planned redevelopments, which would have meant more beds and better inpatient facilities. The future survival of these hospitals is now in doubt.

Can I take you back to when you guys came into government. When this Labor government came in, remember the Menadue report? They employed a guy called John Menadue, who came over from interstate to say, 'This is how we are going to fix our state health.' What did he say? Fundamentally, his report said, 'Look, you can't go spending all this money on acute care hospitals. What you've got to do is put the money into primary health care.' So, what has this government done? It has blown the budget building a new hospital instead—more money into acute care, instead of primary health care, which is where it is needed.

If you use trains, the electrification of the Gawler and Outer Harbor lines has been suspended. If you use the O-Bahn, planned parking has been delayed. If you live at Port Adelaide, Semaphore or West Lakes, forget about the tram extension: it is not going to happen. Yet again, a promise to get the headline, but an absolute failure to follow through. Labor needs to face the inconvenient truth: the cost of living is skyrocketing in this state. Electricity prices here are set to become the highest in the world—we have already had that report that showed that we are the third highest in the world—and, of course, we have a bullet to number one once we have a carbon tax, which is starting in less than a month. Gas prices are up by 79 per cent. We already have the nation's highest capital city water charges. Since the desalination plant was announced, the average household will pay almost an extra \$3,000 in water charges.

Let me address this matter of water for a moment, this cash cow that Labor keeps milking. Labor's unnecessary doubling of the \$2.2 billion desalination plant means that households will continue to be sluggish. Can I remind everyone what the cost would have been if we had got them to agree to this 50 gigalitre desalination plant when we first proposed it? A number of us went to Western Australia, and we asked them specifically, 'How much would it cost to build that if we signed the contract now?', and it was \$450 million.

This government said no to a desalination plant for the best part of two years, and then it did a double backflip pike and somersault with reverse, and we are going to have a double-sized desalination plant of 100 gigalitres. The Productivity Commission has said that we will never need more than a 50-gigalitre plant, but we are spending all of that extra money to get it. The result is that we are now, after all of this time, up to \$2.2 billion. Water bills have already trebled. They have risen by 176 per cent since the desal plant was announced and, after the one-off concession is paid (and 'one-off' is a big note in there), the annual household water bill will still increase by 14 per cent, and the tricky thing, and the devil in the detail, is that there is a concession of 'up to' \$75—and, as I said, it is a one-off. So, from 13 July next year, consumers will be sluggish again when the concession is gone and next year's hikes are factored in.

Further, and to add insult to injury, water users will pay an extra \$135 a year because Labor chose to make the desal plant carbon neutral. Remember Mike Rann promising that it was going to be only green energy? The remarkable thing is that I had asked the very question about this when I was over in Perth because they made the same payment. I said, 'How do you do that?', because unless you build a purpose-built wind farm or solar farm to provide the power, you cannot actually claim that it is green energy because you produce energy from whatever sources, it goes into the grid and it is pushed out of the grid at the other end. Arguing that this plant is powered by green energy is simply a way of paying more for the energy that goes into it.

It is like arguing that you put a bucket of red-dyed water into one end of a swimming pool and you go to the other end and pull out a bucket of water and say, 'There's my red-dyed water.' It just does not work that way. Once it goes into the grid, it is electricity. What we are going to do is make people pay \$135 a year extra because Mike Rann wanted to have green credentials and say, 'This is green energy.' Finally, the \$328 million federal grant to double the desal plant has effectively been neutralised because we have lost about that amount in GST revenue in exchange for it.

Then, in the ultimate act of deception, on 31 May, when this budget was being brought down, the government tried to slip through 328 pages of increased fees. The government trumpeted no new taxes, but it did not mention the 328 new fees that will hurt families and households even more, including rises in licence fees for plumbers, gasfitters and electricians; rises in car registration fees and driver's licences; rises in learner and P-plate driving tests; rises in real estate fees. Would you not think that, of all the things you would not want to attack at the moment, real estate fees might be an area where you would want to try to keep the fees a bit lower? But, no, the government is putting them up.

There are rises in occupational health, safety and welfare fees; every one of those they tried to slip under the radar when no-one was looking. So, when the final sums are done, the cost of living will rise by an average of \$1,000 per family. More strain and more pain! Of course, that is before we factor in the impact of the carbon tax, which is supported by Premier Weatherill. This will have severe ramifications for families and businesses.

State Treasury modelling shows that South Australia will have 1,500 fewer jobs and \$155 million less in economic output next year, solely due to the carbon tax. The carbon tax will contribute \$150 to the \$340 increase in average power bills next year. A quarter of all consumer price increases will be because of the carbon tax. That is just on the things the government directly controls. We know that councils are having to factor in the carbon tax to their rates, so people's rates will also be hit. We went up to visit Tea Tree Gully, and the Tea Tree Gully council told us about the money it is having to factor into its budget. The Treasurer says—

Members interjecting:

Mrs REDMOND: They think it is funny. They think it is a laughing matter that families will have to find all this extra money to cope with their abysmal economic management for 10 years. The Treasurer says, 'The impact of the carbon tax on the state Budget will be \$10 million.' How do you arrive at that, when Victoria says it will cost them an extra \$660 million? One council alone is predicting a jump here of \$1 million in its budget, and that has to be recouped from somewhere. All

this sits alongside the fact that under Labor South Australia has become the highest taxed state in the nation.

Land tax is levied at 40 per cent above the national average. It is the worst of all the states, and it is quadrupling under Labor. I say again—and I have mentioned it before in this chamber—I had a gentleman come into my electorate office who spent his entire working life building up a portfolio of property in this state totalling \$15 million; rental properties he rented out to people in our community. He was selling every bit of that portfolio and moving to another state just because of land tax. He said, 'You know, I can't actually hold these properties here'.

He said, 'The first six months of every year's rent goes just to pay the land tax. I still then have to pay the council rates; I still have to pay the maintenance; I still have to pay the insurance and all those other costs.' He said, 'I'm lucky if I make one or two weeks' profit out of the whole year's rental—that's all the return I am left with myself.' He said that he could not afford to stay in this state; he was selling the whole lot. He is not the only one; indeed, the former Treasurer, I seem to recall, had an investment property interstate.

So, land tax is levied at 40 per cent above the national average, and the worst of all the Australian states. Stamp duty is levied at 27 per cent above the national average, and again it is the worst of all the states. Insurance tax is levied at 53 per cent above the national average, and again it is the worst of all the states. So, the tax comes in and the money goes out: it is a simple equation if you have it under control, but in the hands of Premier Weatherill and this Labor government they have lost control of their spending. Let us be clear here: it is actually the taxpayers' dollars they are spending. There are examples of waste everywhere.

Remember, they cancelled the Newport Quays contract. It became a slightly inconvenient contract during a certain by-election, so they cancelled that. They cancelled it a matter of days after they had renewed it. Of course, if you chose not to renew the contract there is no penalty, but when you cancel it just after you have renewed it there is \$5.9 million—nearly \$6 million—in penalty. That may not be the end of it, but that was the minimum fee.

Mr Venning interjecting:

Mrs REDMOND: It is absolutely true, member for Schubert. Also \$5 million to pay Marathon Resources after declaring Arkaroola a no-mining zone—again, part of what Premier Rann wanted to have as his legacy in this state. I have read the affidavit about minister Koutsantonis and where he was in Western Australia and who said what to him: he's got his head down now, because I know what's in that affidavit.

An honourable member interjecting:

The Hon. A. Koutsantonis: You've read it, have you?

Mrs REDMOND: The fact is—we've all read it.

Members interjecting:

The SPEAKER: Order!

An honourable member: It said you were out of the loop.

Mrs REDMOND: Yes; so the Premier didn't trust you. Can I make it very clear: Marathon Resources did nothing wrong. They just did what they were entitled to do. We actually came to a conclusion that we could stop mining in Arkaroola with no cost, and we had announced it months and months earlier, but then suddenly Mike Rann decided that he was leaving and he had better have a legacy and that legacy was going to be to stop mining in Arkaroola for the cost of another \$5 million.

What about the prisons project? Remember the prisons PPP? I am sure the member for Hammond remembers the prisons PPP. That only cost us \$10 million to cancel. What about Mike Rann's farewell and the other perks we gave him? It is a small matter by comparison—only a couple of hundred thousand dollars—but it is a couple of hundred thousand dollars I am sure the people of Keith would appreciate for their hospital. But no, we spent it on Mike Rann. Does anyone remember Puglia?

Mr Williams: Who could forget it?

Mrs REDMOND: Who could forget that? Or the thinkers in residence or the Integrated Design Commission, which have now been cancelled, of course. We have spent a fair bit of money

on those over the years. What about the \$168 million we are already spending on media and spin services over three years, and the government is now out there tendering for more? Of course, we do not know what the cost of some of their other stuff-ups will have been. What about the million dollars of printer cartridges bought by government departments at inflated prices in exchange for personal benefits?

Then consider the money pit known as the new RAH. The new RAH—I have already mentioned it and I will mention it again before I am through—will cost us \$1.1 million a day for 30 years, on top of all the other debt we have, once this building is built. It is just for the building—

Mr Williams: And that is just for the building.

Mrs REDMOND: No doctors and nurses. No, we have to—

Mr Williams: The minister is trying to make out it was everything.

Mrs REDMOND: Well, it is the building. It is maintained and it is cleaned, and by—

Mr Williams: Yes, but it has nothing to do with the doctors and nurses and equipment.

Mrs REDMOND: No, and remember this building was going to be supplied for \$1.7 billion before the last election. It is now \$2.8 billion; that is according to the current figures. I would like to see what it actually turns out to be. It will cost us \$1.1 million a day for 30 years. What about the shared services plan? Shared services, there was a—

Mr Williams: That is a doozy, that one.

Mrs REDMOND: Yes. They thought they would save money, even though Western Australia had already come to their senses and said, 'Hey, this is not the right way to go,' but did we cancel it? No. We went down that path anyway—a human resources and administration arm of 2,300 staff called Shared Services SA. The aim is to save \$60 million a year, but it has turned into another bungled project. The costs have blown out from \$60 million to \$128 million and counting, and the Auditor-General has found a savings shortfall of \$93 million over the forward estimates. That is a \$93 million shortfall in their savings, having spent an extra \$68 million so far. It is extraordinary.

That is not the end of our debt and deficit story, of course. In 2001, our unfunded superannuation liability stood at \$3.2 billion. Guess what? It has blown out. It was \$3.2 billion, but try trebling that. It is now \$11.9 billion. We have the nation's worst performing workers compensation system. Is it any wonder businesses are struggling here? We have some of the highest levies and the lowest return-to-work rate of any workers compensation system in the nation. Industry premiums are still among the highest in the nation, and the total workers compensation unfunded liability is over \$1.5 billion. We had that down to \$56 or \$59 million.

Mr Williams: \$50,000 or \$60,000.

Mrs REDMOND: —million—before the last election. We had it all the way down to \$56 or \$59 million, and now it is \$1.5 billion. Labor has enjoyed seven of the best years this state has ever seen, not due to anything it has done—far from it—but from the rivers of gold I mentioned before from the GST flowing in unbounded amounts, from the property taxes that were flowing in because of the boom. But instead of putting some of that away, as I said, for the tough times, it just spent like there was no tomorrow. It spent well beyond its budget and then some, hence we have a debt. This type of reckless spending has now come home to roost, and the amateur boxing Treasurer has this state down for the count on every economic indicator.

The Hon. J.J. Snelling: If only I was an amateur boxer!

Mrs REDMOND: Indeed—well, we could see that you weren't!

Members interjecting:

The SPEAKER: Order!

Mrs REDMOND: Indeed, the Treasurer's budget has failed on three main counts: honesty, competence and sustainability. Honesty: fail; competence: fail; sustainability: fail. It has led to our domestic economic growth falling so far behind the rest of Australia that we are at risk of becoming irrelevant. Already, national growth is seven times faster than it is here in South Australia—seven times faster.

For too long, Labor has taken the ultimate high-risk punt, gambling it can keep on borrowing until times improve. They are hoping for the mining boom to rescue them, but they may find that that is now further away than ever before. Labor has let state debt—

The Hon. A. Koutsantonis: Keep on talking down mining. Keep on talking it down.

Mrs REDMOND: Minister Koutsantonis, we have never talked the mining industry down. We have never talked the mining industry down in this state. We have supported every opportunity for mining, but we have never managed this state relying on what might be in the future. That is what this government has done. Labor has let state debt become a financial cancer that, left unchecked, has spread through all sectors of our economy. Under Labor, our budget position has deteriorated so quickly it makes it almost impossible to predict what is coming next.

The Liberal Party knows that there will not be much money lying around. We do not know how many dollars there will be in the Treasury wallet, but I fear it might be just the small change on the dressing table.

An honourable member interjecting:

Mrs REDMOND: Yes, a credit card that has already blown its limit. It is nigh on impossible to begin imagining what the state's finances will look like in March 2014 when we next go to the polls. The financial facts and figures coming from Labor are rubbery at best, and of course we will not know until the Mid-Year Budget Review immediately prior to the election in December 2013—or they might put it off until January 2014. Can I remind you that three years ago they were predicting that this year we would have a surplus of \$424 million. For next year, as I already mentioned, they were predicting a \$304 million surplus, and now it is an \$867 million deficit.

We on this side have always been responsible economic managers, so we know we cannot go to the next election with our pockets full of promises. We have long been regarded as the party of strong, sensible financial control. We have always rejected the flashy extravagance of Labor, but we do know also that there has been a drastic decline in our finances, as evidenced by the loss of the AAA, the record debt and the record deficit.

The Liberal Party, if it wins government in 2014, will immediately establish an audit commission. The aims of this commission will be to return to a sustainable budget surplus, to lower debt, to restore, again, the AAA, and to provide cost-effective service delivery. We will use external experts to undertake the audit and in a major point of difference from the Labor government, we will do it properly. We will do it properly. We all know former treasurer Foley established a sustainable budget commission after he had been treasurer for seven years and should have been able to do the work through Treasury. Of course, like most economic initiatives Labor has turned its hand to, it failed dismally.

We are coming in with a fresh set of eyes and it is imperative that we are able to address these figures as quickly as we can. By restoring the state's finances to a sustainable position, we will then be able to address cost of living issues. We recognise that for this state to succeed, private enterprise needs to succeed. That seems to be something lost on this Labor government. Again, we are ready to fix up a Labor mess. We did it before, after the State Bank debacle, rescuing the state from economic oblivion and helping restore the AAA credit rating in the process.

It has taken Labor only 10 years to lose that and everything else the state had. A Redmond Liberal government is not afraid of the hard work ahead. We know that for the sake of this state's future we have to get it back on a sound economic footing. We understand that to have a sustainable economy that can provide a sustainable social justice policy, a sustainable arts policy, a sustainable environmental policy, we have to have a sound economy where people have the confidence to grow their business, to employ people and to build the state. Private enterprise, and the success of private enterprise, is the key to our success, but Labor just does not understand that. It thinks you can spend money without realising that when you break the back of private enterprise there is no money to spend. What a Redmond Liberal government will do is be honest, accountable and open to scrutiny. As I said, we know how to fix a Labor mess, we have done it all before, we have had to.

Part of this economic responsibility will be announcing policies on our time line, not anyone else's, and they will be considered, not rushed. We will not be put under pressure by the media or government, that would be irresponsible and reckless and South Australians have had more than enough of that. The Liberal Party looks forward to offering the people of this state a truly credible alternative government.

Ms BETTISON (Ramsay) (11:45): I rise today to speak on the 2012-13 Appropriation Bill, a bill that will enable the government to provide the training and skills needed in our changing economy. This is a budget that recognises that while there is an uncertain global outlook, the South Australian economy is well placed for a bright future. This is a budget that has the balance right, by making some tough decisions, while supporting those South Australians that need it most.

This budget also recognises that there is good news for South Australia's future, with record infrastructure programs, historically low unemployment and huge investments in the pipeline. The South Australia of tomorrow will be a very different place from what it is now. Olympic Dam will be exporting a wealth of copper, gold and uranium, we will have Australia's most advanced hospital and the Future Submarine Project—the largest nation-building project since the Snowy Mountains scheme—will make South Australia an even more prosperous place.

The outlook for South Australia's economy is strong, with economic growth of 2.75 per cent forecast for 2012-13. An enormous \$109 billion worth of projects are underway or in the pipeline in both government and private investment, and mineral exports in March 2012 totalled \$4 billion, which is four times greater than a decade ago. Our unemployment rate of 5.2 per cent is very low compared with unemployment rates around the world. I am glad to see the government has kept this low figure in mind as it has looked toward the skills and training reform needed to meet the needs of our changing economy and labour market.

I was pleased to see that the budget this year acknowledges the skills shortage our state faces in the mining, engineering, defence and transport industries. There are between 25,000 and 30,000 expected vacancies within the next five years as our state's new industries expand. The new state-of-the-art Mining and Engineering Industry Training Centre announced in this budget, to be located at the TAFE SA Regency campus, will be a national leader in training for these industries. By consolidating and upgrading major training centres on one site, South Australians will be provided with better quality opportunities in training.

And the reform will not stop there. As of 1 July, the state government will roll out the Skills for All initiative, reforming the state's Vocational and Education Training sector, to raise the skill level of South Australians, increase the number of South Australians with post-school qualifications and increase employment participation. Students will have more choice in training providers, free training for over 400 certificate 1 and 2 level courses and funding for a further 1,000 certificate 3 and 4 level courses, diploma and advanced diploma qualifications. There will be concessions for low income students and VET FEE-HELP for diploma and advanced diploma students, improved pathways for SACE students and reform of the Adult Community Education Program.

The move to more advanced manufacturing in South Australia also continues to be a priority for this government with this investment in skills and training, as well as the creation of an advanced manufacturing council and improved links between research institutions and industry to drive innovation.

The state government understands the cost pressures facing household budgets when it comes to essentials such as housing, water, power, transport and education. The government has lived up to its word to make South Australia an affordable place to live (as one of its strategic priorities) when it comes to housing, water, power, transport and education. Adelaide remains the most affordable capital city in the country.

Not only were no new taxes announced in the 2012-13 budget, but extra support has been provided for lower income households experiencing higher utility prices. Utility concessions have been increased with the water security rebate. Those who aspire to own their own home also have an easier task ahead of them with the first home owners grant extended for 12 months. All first home contracts entered into before 1 July 2013 will be kept at an \$8,000 grant level.

Finally, this budget is to be commended for prioritising people with disabilities and their carers with a \$212.5 million injection into the sector over the next five years. The transition from institutionalised care to community care and individual funding is a bold one, one that brings the disabled and their carers greater control in deciding the services they need. I urge the house to pass the Appropriation Bill 2012-13 to enable the government to lay the foundation for South Australia's stronger future.

Mr WILLIAMS (MacKillop—Deputy Leader of the Opposition) (11:51): What an amazing budget we have before us. Let me just go back over the 11 years of this Labor government. Promises were made by the then premier (the then leader of the Labor Party) that we would have lower costs in South Australia and that there would be no privatisations. We have had

continual claims over the years by the government that it had a record of sound financial management. It kept talking about how important the AAA credit rating was and that the retaining of the AAA credit rating in South Australia was a sign of its financial management. I will come back to that.

Now, 11 years down the track, what have we got? We have the highest taxed state in the nation. It was disturbing a couple of years ago when the budget papers revealed that we were taxed at a rate 11 per cent higher than the average across Australia. I note in the latest budget papers that that has now gone up to 13 per cent. So, not only have we been the highest taxed state in the nation for some years, but that rate is increasing relative to the other states. Instead of it being a blip, a once-off, an aberration, it is the culture in South Australia that this government has to tax the people of this state at a higher rate than any other state government in Australia. That is not suggesting that we have had good governments in some of the other states: it is just that this one is by far the worst.

We have just heard that South Australia is a great place to live and that it is a low-cost place to live. Nothing could be further from the truth. Not only are we as individuals burdened with this high tax regime, but our small businesses, our medium enterprises and our large businesses are all burdened with the same tax regime. That is why we are finding that those 100,000 jobs promised by this government at the last election have turned into a loss of full-time jobs in South Australia: because South Australian small businesses, the engine room of the South Australian economy, are suffering under a tax burden they cannot bear. So, businesses that were considering putting on staff have actually not put on staff, and sometimes, in some cases, they have let them go.

Electricity prices—I remember, because we have kept copies of the pledge card that Mike Rann signed all those years ago. We will deliver lower electricity prices—that is what he said. We will build interconnectors so that we can import lower cost electricity from interstate. Have not seen them. What we have done is encourage the investment in South Australia in wind farms. What we have done is encourage investment in South Australia on rooftop solar panels. In Victoria the Victorian government, with their feed-in tariff scheme, set a cap that when the cost to the average electricity consumers became \$10 the scheme automatically was closed down by the minister. The rooftop solar panel scheme in South Australia, funded by a feed-in tariff—a very generous feed-in tariff—is costing the average electricity consumer in South Australia \$70.

The Hon. A. Koutsantonis: Why'd you vote for it?

Mr WILLIAMS: Madam Speaker, the minister says why did I vote for it. I remind the minister, if he goes back and consults the *Hansard*, that I said at the time, way back in I think 2008 (it might have been November 2007), that this piece of legislation would have to regularly come back to the parliament because of the changing world that we live in. That is where the government failed. That is where you failed, minister. We note now that not only do we have higher electricity prices than our cousins in the other states but we have higher electricity prices than anybody in the world.

The Hon. A. Koutsantonis: That's a lie.

Mr WILLIAMS: Well, we will, come 1 July, when the carbon tax kicks in, minister.

The Hon. A. Koutsantonis: That's a lie.

Mr WILLIAMS: Madam Speaker, I think it is unparliamentary for members to call other members liars. The minister is sitting there interjecting that I am a liar.

The Hon. A. Koutsantonis: I did not call you a liar.

Mr WILLIAMS: You said, 'That's a lie.'

The Hon. A. Koutsantonis: Yes, that's a lie. I didn't call you a liar. I'd never do that to you, Mitch. I just pointed out—

Mr WILLIAMS: I ask you, Madam Speaker, when I am making a comment, if the member sits there and says 'That's a lie,' is that parliamentary? Because it will come back in spades if it is.

The Hon. A. KOUTSANTONIS: I withdraw the term 'it's a lie'. It's untrue.

The SPEAKER: Thank you. Also, the minister will note the interjections are out of order. Are you comfortable with that, member for MacKillop?

Mr WILLIAMS: I am not very comfortable, Madam Speaker, but the minister will wear it, because his use of the truth is at a level much lower than pretty well anyone else in this place, and it will come back in spades to him, so I am fairly relaxed about that. If that's the standard this minister wants to set in the parliament that's the standard that he will live by, and it will come back to him. I will move on.

It is predicted that, come the introduction of a carbon tax after 1 July, South Australia will have the highest electricity prices in the world. I would argue, and I have been arguing for some time, that by investing heavily in wind farms it has been one of the things that has driven electricity prices high in South Australia. Investing the same money in interconnectors or some sort of conventional generation may well have delivered us much lower electricity prices, but this government did not have the wit to go down that path.

The Hon. A. Koutsantonis interjecting:

Mr WILLIAMS: Now they talk about privatisation. I remember that there was a promise that there would be an end to privatisation, but we are now selling the forests, we are now selling the Lotteries Commission.

The Hon. I.F. Evans: And Fleet SA.

Mr WILLIAMS: And Fleet SA. That was a good one. I remember that it was in the term of this government that this government said we can save a fair bit of money by buying back Fleet SA. So they brought it back into government control. It used to be owned, I think, by Westpac Bank, and they brought it back because it was going to be a budget saving measure, and now they are selling it. Why are they selling it? Because in the long term it is probably going to lose us some money but it will give us is short-term injection of funds into the budget. That is what it is about. It's about—

Mr van Holst Pellekaan: They can't manage it.

Mr WILLIAMS: No, they can't manage a damned thing, that's right. It is about a short-term injection of money into the budget, a budget which is failing. You do not lose the AAA credit rating because you are managing things effectively, or smartly, or wisely. You lose the AAA credit rating because you stuff up, and that is what this government has done. The Labor Party has a record of losing the AAA credit rating in South Australia because they just cannot manage. Unfortunately, they keep being too long in government to the point where they just stuff up the state, and they have done it again. It is going to take years and years for this state to get off its knees and back on its feet.

I want to talk particularly about water in South Australia. We had a debate running up to the last election where the government had made some decisions about building a desalination plant, and then they decided that they would double the size of the desalination plant. Again, we talk about mismanagement: that would have to be one of the dumbest decisions ever taken by a government in South Australia—an extra billion dollars to build something that none of us will probably see being used.

The Australian Academy of Technological Sciences and Engineering put out a report within the last couple of months. By their reckoning and their modelling, even accounting for global warming and climate change impacts, we will use on average maybe up to 10 per cent of the desal plant's capacity between now and 2050. In that period, under the most severe weather conditions, including allowing for climate change, we might use up to 30 per cent of its capacity

Why on earth did we build a 100-gigalitre desal plant? What possessed the government to go down that decision path? What modelling did they have done? The people of South Australia really deserve to know where the modelling was done and who made those calls because those people should be run out of town. We have the highest water prices in Australia here in South Australia, and yet we heard from one of the government backbenchers a few minutes ago that this is a low-cost place to live.

Go out into suburbia and do some doorknocking, I say to the backbenchers of this government, and talk to the people about the cost when they get their electricity bill, their water bill or their state tax bills, when they renew their registration on their car, renew their driver's licence or buy a new bus ticket and a new train ticket—all those day-to-day things. I do not think this is a low-cost place to live and that is the reality. It is not, and a fair bit of it is directly to do with this government.

Let me again come back particularly to water. I have heard the Treasurer over the years talk about water prices, and he says, 'We have to get all this money from SA Water for two reasons: first, we've got a big investment there and we need a return on that investment and, secondly, we pay a lot of money in community service obligations to give things like postage-stamp pricing across the state.'

I refer to Budget Paper 3, page 93. The table on that page talks about financial transactions between SA Water and the general government sector, and one of the things it includes is the flow of grant moneys. A lot of this grant money comes from the commonwealth and flows through SA Water. Grants, subsidies and CSOs are all bundled together, so it is a bit hard to pull them out and see how much there is in each but, looking at another table in the budget papers, we can see what the community service obligations (CSOs) are and indeed they will this year be falling quite dramatically.

They will be falling from \$153 million in the current year to \$105 million this year. In round figures, that is a fall of about \$50 million in community service obligations. Why is that? It is simply because the price of water has increased so dramatically that no longer is it necessary to subsidise the cost of providing water to many country communities where the cost obviously is higher, yet the revenue is at that postage-stamp price.

When we combine that gain to the government of just under \$50 million because of the increase in water prices with the increase in dividends—going from \$138 million in 2011-12 to \$223 million in the current year—we find that the net contribution to the government from SA Water is rising dramatically. It is estimated that, in the current year, SA Water has actually cost the government \$62 million, and that is not accounting for the money that has come from the commonwealth—

Mr Venning interjecting:

Mr WILLIAMS: That is not counting the money that flows through the commonwealth, which is channelled through SA Water for a number of projects, particularly along the River Murray. This year, SA Water will contribute \$149.9 million to the government: that is a turnaround of some \$212 million. It is a \$212 million turnaround, according to the budget papers, just from SA Water, yet we have seen the biggest increases in water prices that you could ever imagine.

Last year, there was a 40 per cent increase in water prices, yet the government keep claiming it was 26 per cent; I think they keep saying it is 26.3 per cent. I think they even used that figure in the press release that went out a few weeks ago when the new water prices were announced for the upcoming year. I urge all members to go to the budget papers from last year, where it clearly states, for the average user, based on 190 kilolitres of annual use, the increase in the cost of water was 40 per cent.

Using the same methodology, and it is used again in this year's budget, there is a 25 per cent increase; so, 40 per cent last year and 25 per cent this year. This is an absolutely unbelievable cost increase. Why? Because, in this year, the government is expecting a huge turnaround in the amount of money that flows to government. In fact, as I have said, a \$212 million turnaround in receipts from SA Water, compared to the current year's position.

SA Water is definitely used as a cash cow by this government, but the downside is that it impacts on every household, it impacts on every business and, as I have said before in this place, it definitely impacts on the vast majority of farmers in this state who use water supplied by SA Water for livestock production.

Mr Venning: They don't paint their pipelines.

Mr WILLIAMS: As the member for Schubert said, they still don't paint their pipelines. I mentioned the government's return on its assets at SA Water. I was talking to another business owner whose business owns regulated assets in South Australia, and I asked, 'How do you actually value your assets?' He replied, 'We use historic costs less depreciation,' which is a pretty normal way of valuing an asset.

I said, 'It's not the way they do it in SA Water,' and he asked, 'Well, how do they do it?' I told him, 'They value their assets at the replacement cost,' which significantly inflates the value of those assets, and the government still demands a return of a bit over 6 per cent on that. So, they are getting a 6 per cent return on a very inflated valuation, and that is the way they justify these incredible price hikes in water to South Australian consumers.

I might briefly talk about the mining sector. The government keeps talking about the mining sector and what it is going to do for South Australia, and I sincerely believe that South Australia will have a sound future as a mining state, but it is not just around the corner; in fact, most of the pundits suggest that the BHP Billiton board is seriously considering delaying its vast investment in South Australia. I remember the Treasurer, at some stage not that long ago, referring to the state's economy as being in 'turbo drive'. I think that was the phrase he used: 'turbo drive'.

Mr Venning: Turbo Tom.

Mr WILLIAMS: Yes, maybe he was thinking about his colleague; maybe he was. When the Olympic Dam project—and I say 'when' because I think it will happen, it is just a matter of when it will happen—gets underway, it will make a big difference to this state. It will be a significant driver to our economic fortunes. The reality is though that governments should not rely on something that may or may not happen. They should not rely on that to underpin the state's economic future. They should not take decisions to put the state's economic future at risk in the hope that some of these things will come onstream. That is what we have had in South Australia. We have had a government that has gone out and spent the largesse that has flowed into Treasury coffers, and has spent them on recurrent expenses rather than one-off things like infrastructure.

The Treasurer keeps saying that we have this huge infrastructure spend in South Australia to underpin our future. A fair bit of it is doing nothing for our future. The desal plant is doing nothing for our future because, as I said, and as the evidence shows, we are not going to need it—not in the next 40 years anyhow. I do not know that the Adelaide Oval upgrade is going to do a lot for our economic future. Some of the transport infrastructure will; most of it is commonwealth funded. We have racked up \$10 billion worth of debt and we have not got any great infrastructure—certainly not \$10 billion worth of state-funded infrastructure for that. The debt has been racked up on recurrent expenditure, and that is the problem for South Australia.

Flicking through the budget a few moments ago, I came across a couple of tables. In Budget Paper 3, at pages 33 and 35, there are some interesting tables. If we look at page 35, in the years 2011-12 we were supposed to see a reduction in the public sector by 2,006 full-time equivalents. What we have actually seen between 2011 and the estimate for 2012 is an increase of 3,355, from 79,859 to 82,214 full-time equivalents.

That is the problem with this state government's management of the state: they cannot control their expenses, they talk about cutting the Public Service by a handful of people and yet they are still employing more public servants at a greater rate. That is the problem: we spent the largesse on recurrent expenses and we have nothing to show for it except the highest taxes in the nation and the highest costs in the nation for electricity, water and a whole host of government taxes and charges.

Mrs VLAHOS (Taylor) (12:12): I rise today to speak on the Appropriation Bill for the 2012-13 budget: a budget that was delivered by Treasurer Snelling in this place in the face of exceedingly difficult financial circumstances. As members in this place would be aware, current economic conditions continue to affect the state's revenue, with total taxation and GST revenues being revised down by over \$2.8 billion since last year's budget. This, of course, has placed significant pressures on the state's finances. Nevertheless, the government has throughout this time remained committed to responsible fiscal targets.

It has made this commitment in a distinctly Labor way by prioritising the needs of South Australian households, businesses, chief industries and the economy in the face of difficult circumstances. The South Australian Labor Government has looked to the future, and there is plenty of good news to be found. The economic outlook is strong, with growth of 2.75 per cent forecast for the coming financial year. Our unemployment rate continues to be low compared with the rest of the world, we have had a strong winter crop and we continue to look forward to solid growth in mining.

This is a budget that contains no new taxes despite significant revenue falls: a truly commendable decision that will not place extra burden on South Australian households and businesses. This is also a budget that recognises that our state flourishes when our people feel confident in their economy. The setback of the global financial situation has had a dampening effect on the national and state economies. Households, in particular, are mindful of their savings and it is important to remember that economic growth in this state has a strong outlook for the future.

South Australia has faced the turbulence faced by those across the seas in America and Europe, but we have fared well. The government does, however, understand that the forces felt overseas can still be felt here. The government understands that many people are finding it increasingly difficult to manage cost pressures on their family budgets. In particular, low and fixed income earners are spending more on essentials like housing, water, power and transport.

By making an affordable place to live one of its key strategic priorities, the government has proactively sought to ease cost pressures on South Australian households. This includes providing a once-off water security rebate of either \$45 or \$75 (depending on usage) to SA Water's residential customers in order to provide relief from the increases associated with the state's sorely-needed water security investments.

The government also continues to focus on investing \$38.3 million over three years to establish the Mining and Engineering Training Centre to ensure that South Australians make the most of mining opportunities in the future. The Skills for All initiative, which will commence on 1 July this year, will reform the state's vocational education training sector to raise the skill level of many South Australians and increase the level of employment participation. This change offers hope for many re-entering the workforce or entering it for the first time, like so many people in my electorate.

When times are tough it is crucial that the state government stands by important industries. I was delighted the South Australian government committed nearly \$2 million over the next four years to help build a strong foundation for a secure future for the Defence Teaming Centre. This commitment recognises the important work done by the Defence Teaming Centre over recent years and reflects the key role it will play in the long-term future of the sector.

DTC is critical in sustaining South Australia's defence industry through the decline of indigenous defence spending over the next few years. It is vital in ensuring that, as a state, we are prepared for the significant growth in defence expenditure forecast for the second half of this decade. DTC will work closely with the South Australian government and industry to build and maintain innovative and internationally competitive defence industry capability within South Australia.

We are confidently investing in DTC's ability to help industry adopt innovative strategies to improve its competitiveness and productivity and capture national and global supply chain opportunities, to harness strategic management skills across the defence industry to ensure that we are even more competitive with our home-grown firms, and promote collaboration between many companies, driving the industry workforce development initiative as well. Combined with Defence SA, the nation's only dedicated state-based defence agency, and the high-calibre Defence SA Advisory Board, the DTC provides a unique point of difference for South Australia.

Finally, this government can be proud of its substantial efforts in investing in disability services. With \$212.5 million over five years, the South Australian government is truly living up to its promise of Every Chance for Every Child. This represents a massive 33 per cent increase in funding.

The government's approach to belt tightening in light of our state's economic revenue falls has been responsible, while protecting the level of service to South Australians. I urge the house to support the Appropriation Bill.

The Hon. I.F. EVANS (Davenport) (12:17): I rise to speak on the government's latest budget, through the Appropriation Bill. Things have got worse; it is hard to imagine, but things have got worse. We might recall that in previous budgets they set out budget deficits of over \$400 million a year and over \$300 million a year, and a debt rising to a predicted \$11.2 billion once the new hospital comes on stream. Under this budget the state's financial circumstances have actually got worse.

We are now having nearly \$900 million a year deficits followed by nearly \$800 million a year deficits, and the Labor Party is driving state debt to over \$13 billion. These are historic levels of debt and historic levels of deficit—and this from the Treasurer who said, on his first day, that he was not going to drive up credit card debt for our children to pay sometime in the future. Well, under this Treasurer the debt has just continued to climb. In fact, it is this Treasurer who will go to the election never having delivered a surplus; it will be this Treasurer who will go to the election only ever having delivered a deficit budget in each one of the budgets he has delivered.

Roll back, and it was only two years ago at the 2010 election that the then treasurer Kevin Foley said that all the state had to do was find \$750 million worth of savings and everything was going to be sweet. The books would be balanced, the financials would be strong; \$750 million worth of savings. We know that was another Labor lie. Straight after the election, out comes the \$2.5 billion of increased taxation and increased cuts the government would have to make to the budget to make it sustainable.

In this budget they have managed to push the deficit even higher, to nearly \$900 million. Next year it is nearly \$800 million and the debt continues to climb to \$13.2 billion. So what they have actually outlined since the 2010 election is, essentially, a set of state accounts that is getting worse on every measure, on every year, up until the next election. In short, they have lost control of their budget, they have simply lost control of it.

Just as a business does not go bankrupt on the day it closes its door, a state does not lose its AAA credit rating on the day because of one single budget. It loses its AAA credit rating because of a number of decisions taken over a number of years that accumulate the effect of the budget. That is why Standard & Poor's have been warning this government for the last two or three budgets that their AAA credit rating was under pressure. They were signalling to the Treasurer and the cabinet of the day that their financial management of the state was under scrutiny. They recognised that their financial management was sloppy and they were giving them time to make decisions to change course.

That is why the Auditor-General warned them back in 2005-06, 2007-08 and 2008-09 that their expenses were too high and they were, more importantly, based on unsustainable revenues. The Auditor-General put that before the parliament and the government on a number of years. So the reason we lose the AAA credit rating is not just because of this budget but because all the decisions that have 'layer caked' on top of this budget in previous years. That is the reason we have lost the AAA credit rating. We now have a state facing historic levels of debt and historic levels of deficit.

Let us look at the AAA credit rating. It may not be sexy out there in mum-and-dad land, but let me say to South Australians that they are paying significantly more in their cost of living—higher water prices, higher car registration, more for drivers licences—because of the extra interest being charged to the state because of the loss of the AAA credit rating. It all flows into your cost of living. That is the problem with losing the AAA credit rating.

The sad thing is that this state worked damn hard as a state. The taxpayers worked damn hard, with governments, of both colours, over 12 years to restore the AAA credit rating and restore the state's finances after the last time it was lost under the State Bank fiasco. For 12 years the governments have tried to work the finances of the state back into a position where they could be managed properly and within a high credit rating so it was a positive place for investors to invest. Now what we have is the government saying that the AAA credit rating simply does not matter.

It went to the people and said, 'We are going to sell the forests so we can keep the AAA credit rating.' That was their reason for selling the forests. The Hon. Michael O'Brien at the forestry forum was asked by Mr McDonnell, 'Why is it so critical to retain the AAA credit rating? Why can't there be some sort of balance? Why are you putting in jeopardy the industry? This is all about retaining the AAA credit rating, obviously.' Minister O'Brien answered, 'Yes, that's right.' So, when they announced the sale of the forests (an income-producing asset for the state), it was all about saving the AAA credit rating.

Now, of course, the Labor Party has got the state into such a position that, even after selling the forests that generate \$43 million a year (this year it is a bit less in the budget papers, I think) and even after selling the Lotteries Commission (which brings in about \$80 million, a \$20 million net dividend) and even after receiving the record level of tax revenue (being the highest taxed state), this state loses its AAA credit rating. We are selling assets at a rate of knots. We are selling income-producing assets that the state owns and we are still going backwards financially.

How did they get it in such a mess? You will only sell the forest once, you will only sell the Lotteries Commission once, and guess what? The debt will still be \$13 billion and the deficits will still be the \$800 million and \$900 million that you are predicting. You are predicting \$800 million and \$900 million deficits after you sell the forest and Lotteries, and you are predicting a \$13 billion debt after you sell the Lotteries and the forests.

How did it get this bad? I will tell you how it got this bad: they simply kept on spending when the Auditor-General said, 'Hello, you are spending at very high levels of expenditure on

unsustainable revenues.' That is exactly the position we are in. The high levels of expenditure built in two, three, four budgets ago have layered cake onto the budget today and, ultimately, that is why we have lost the AAA credit rating.

Of course, the government is running around saying, 'No, we are giving away the AAA credit rating,' having fought for it for 12 years, having defended it themselves for 10 years, having gone out and defended the AAA credit rating for nearly 10 years. When Kevin Foley himself was the treasurer, the government line was that the AAA credit rating is all about investment in jobs, that it brings investment and it brings jobs to the state.

This Premier is saying, 'No, you can't have a AAA credit rating because that means we have to spend less on infrastructure and that means we have fewer jobs.' Which argument is it? Is it that the AAA credit rating brings investment and jobs to the state or the AAA credit rating kills investment and jobs in the state?

Why is it that Victoria wants a AAA credit rating, Australia wants a AAA credit rating, New South Wales wants a AAA credit rating, Western Australian wants a AAA credit rating, Queensland is putting in place a program to get back the AAA credit rating lost by that Labor government and this Labor government is going in the totally opposite direction? They are saying it just does not matter. The reason they saying it does not matter is that they know they would have to tighten their fiscal responsibility and they are not prepared to do it—that is ultimately the reason.

On the very day that South Australia lost the AAA credit rating, New South Wales introduced legislation, or announced the introduction of legislation, to protect the AAA credit rating. We are losing it: they are protecting it. Why are they are protecting it? New South Wales said that, if they lost the AAA credit rating this week as a result of their budget, it would cost them \$375 million in extra interest a year; that is \$375 million you cannot spend on schools, hospitals, the disability sector or small business.

When Queensland lost their AAA credit rating, the Labor treasurer announced a \$200 million extra cost every year in interest. Financial commentators suggest that in South Australia it is an extra interest cost of \$22 million a year, every single year—\$22 million, that is what the financial commentators suggest it is costing South Australia.

You only have to look at the government's approach in the Mid-Year Budget Review when they introduced new budget targets for the budget. For 10 years, up until that point, one of the budget targets was to retain a AAA credit rating. In the Mid-Year Budget Review, Premier Weatherill and Treasurer Snelling gave that up, even though only months before in this place Treasurer Snelling was still telling this place that it was an aim of the government to retain its AAA credit rating. They gave it up as a budget target. That target did not last 10 months under Jack Snelling—it did not last 10 months.

Another budget target which impacts on business and households was to have an effective tax regime. They gave up that budget target, so no longer does this government have a target of having an effective tax regime. They have abolished that target.

Just for a minute, let us put the debt into some context. How much debt are we borrowing a day? If you go from the 2007-08 year to the 2015-16-year—in that eight-year period—the Labor Party is increasing the debt at the rate of \$3.9 million every day for eight years. The debt in South Australia is increasing at the rate of \$3.9 million each and every day for eight years—in round numbers, \$4 million a day every day for eight years. So, if South Australians wonder why their cost of living is going up, look no further than the state debt. When the Labor Party starts borrowing \$4 million a day every day for eight years, well, someone has got to pay it, and that is why your interest payments are going up to over \$800 million. That is why interest payments become \$2.3 million a day.

Debt is going up at \$4 million a day and the interest you are paying is \$2.3 million a day. If you wonder why your cost of living is going up, that is the reason. If you wonder why business taxes in South Australia are so high, that is the reason; and might I say that those debt figures—\$4 million a day every day for eight years—is after we sell the Lotteries and after we sell the forests. The net increase is still \$4 million a day every day for eight years. That is why people's cost of living is so high, and the Liberal Party recognises that people out there are struggling under Labor's high cost, high tax agenda.

Let us just go back to the Auditor-General's warnings. A warning was given in 2005-06 by the Auditor-General. He said that, given the forecast expectation that such revenue growth may not

be sustained, control of expenses would be important. That was in 2005-06. The reason he gave that warning in 2005-06 was that the 2005-06 budget actually overspent by \$370 million—so, in the year that he was looking at they had overspent by \$370 million.

The government's response to that was to overspend the next year's budget by \$374 million. So, having been warned about its overexpenditure, it overexpended again the next year. Then in the 2007-08 year it overspent by \$304 million, and that is why the Auditor-General gave a warning in that audit about that year. He said, 'You've overspent by \$304 million.' Again, he talked about the problem with increased expenses and unsustainable growing revenues. The government's response in that year was to overspend by \$670 million.

The issue for the government is that it ignored the warnings from the Auditor-General and ignored the warnings from Standard & Poor's and just kept on spending. They say they are spending and losing the AAA credit rating because of the infrastructure they are building. The infrastructure they are not building is actually a bigger list than the infrastructure they are building. Gone is the O-Bahn extension they talked about at the last election. Gone is the prisons' announcement they talked about in a previous election. Gone, of course, is the Sturt Road-South Road crossing/underpass in my electorate. It has been promised twice at the last two elections. Gone is the famous 'Atkinson underpass' on South Road. I think it was six kilometres long, or something. That is gone.

The reality is that, in this budget, they have now cancelled the electrification out to Gawler. We have the bizarre situation of all these poles with nothing to do for the next few years but stand there as a symbol to this government's incompetence. They talk about a one-way road, the Southern Expressway (which they supported at the time, of course), and then they have the gall to go and cancel the project to Gawler. They have all these posts, and I bet there will be lots of election signs on there come the election. They will be there. It is a monument to this government's incompetence.

Then they have cancelled the electrification to Outer Harbor. They have cancelled the trams down to the western suburbs. In actual fact, the list of cancelled projects under this government is bigger than the list of achieved projects. You have cancelled more than you have actually completed.

The other issue of concern to the state is, ultimately, the ongoing liabilities: the daily cash position, the deficit position and the budget position on a yearly basis are of concern. Six deficits in seven years: a \$2 billion deficit over that period—six deficits in seven years. The one year they had a surplus happened to be the 2010 election year and, of course, Treasurer Snelling told the parliament a couple of weeks ago that the only reason they had a surplus in that year was that they were bailed out by the federal government. It was not because of frugal government spending or good government management: they had a bailout from the feds.

Another issue is our liabilities: the state liabilities sit at or are approaching \$28 billion. The state liabilities have essentially doubled in a matter of years. The unfunded superannuation liability is \$11.9 billion, the WorkCover liability is around \$1.2 billion and then, layered on top of that, of course, is the hospital liability of \$1.1 million a day for 30 years. So the state's budget position is certainly in a mess. To summarise, it goes something like this: under this budget the debt is expected to exceed \$13 billion and interest payments are expected to exceed \$800 million a year.

The state has run six deficits in seven years. It has lost its AAA credit rating and is put on negative watch that it may be downgraded further in six to 12 months' time. The unfunded superannuation liability is \$11.9 billion; the unfunded WorkCover liability is \$1.2 billion; and our budget deficit is, in round numbers, \$900 million in the next year and \$800 million a year after that. How could it get any worse than last year? They have managed to do it, and it really is a sad story for South Australians how the Labor Party's total budget mismanagement has landed them in this mess. Their cost of living is the cost of Labor's mismanagement, and that is the brutal reality of it.

Debate adjourned on motion of Hon. J.R. Rau.

LIQUOR LICENSING

The Hon. J.R. RAU (Enfield—Deputy Premier, Attorney-General, Minister for Planning, Minister for Business Services and Consumers) (12:37): I seek leave to make a ministerial statement.

Leave granted.

The Hon. J.R. RAU: In February 2012, the Governor announced that a key government priority for the future was creating a vibrant city. Licensed premises, in the city in particular, and also in suburban and country areas help to create a vibrant atmosphere and provide a wide range of options for residents seeking to enjoy entertainment and hospitality. They need to offer diversity, especially at the smaller end. It is important that those licensed premises contribute to the cost of regulation and compliance but not if that contribution causes licensees to dramatically change their business models and operating hours.

Cabinet has today recommended amendments to the Liquor Licensing Regulations to create a new annual liquor licence fee framework to address the unintended consequences of small to medium low-risk premises in the city and elsewhere closing early because they are unable to afford the annual fees for trading after 2am. The new framework will reduce most of the loadings previously applying for past 2am and past 4am and will introduce the concept of medium-sized premises of 200 to 400 people in relation to hotel, entertainment venue and special circumstances licences.

Any premises with these types of licences trading past 4am with more than 400 people will pay the highest fee of \$10,700, which is unchanged from the current framework reflecting the higher level of risk posed by such premises. The process to implement the annual liquor licence fees commenced in July 2010 as part of the government's A Safer Night Out public discussion paper. It is now clear that this and subsequent consultation with licensees were not sufficient to inform them of the full impact of the fees.

The government has listened to the hundreds of licensees who phoned and emailed Consumer and Business Services after they were advised in May of exactly how much their annual fee would be. The new date for payment of the 2012-13 financial year will be 31 December 2012. This will give licensees time to consider the new fee framework and to make a decision on how they want to conduct their businesses in the future. This time frame will also allow the development of an online payment by instalment option for licensees required to pay loadings for late trading.

Recognising that there is no 'one size fits all' for any class of licence, the new framework will allow the Liquor and Gambling Commissioner to reduce the fee level payable in circumstances where a business is similar to that under another licence class for which a lower fee is payable. CBS will soon commence a series of communications with licensees to confirm that applications to change hours or capacities have not been processed, advise them of the new framework, confirm the fees that they will be paying in accordance with the current licence conditions and provide another opportunity to review the trading hours in light of the new fees.

Cabinet has recommended that the Governor in Executive Council make the new regulations this Thursday, 14 June 2012. This licensing regime will be more than manageable for licensees and will allow the government to recover some costs. If we find that this is not the case, the government will need to review this structure in 2013. Although licensees became engaged late in the process, the government has acknowledged and listened to their concerns about the unintended consequences of the current fees and is confident that the new framework will ensure that Adelaide remains a vibrant city with entertainment options for everyone.

LOCAL GOVERNMENT (ROAD CLOSURES—1934 ACT) AMENDMENT BILL

The Hon. M.J. ATKINSON (Croydon) (12:41): I seek leave to make a personal explanation.

Leave granted.

The Hon. M.J. ATKINSON: During debate on the Local Government (Road Closures—1934 Act) Amendment Bill, the member for Adelaide told the house I had a conflict of interest owing to my daughter's attending St Dominic's Priory College, Hill Street, North Adelaide. On 24 November 2011, the member for Adelaide told the house:

...yet in the 170 times that the member for Croydon has mentioned Barton Terrace West, and in his 67 speeches in this house, he has failed to declare his personal interest, given his daughter attended St Dominic's.

On the last sitting Thursday I responded to the member for Adelaide's point, during the course of which I said, 'Suzie Roux made this claim in a letter sent to all members of parliament late last year.' When I became aware on Friday morning of Suzie Roux's and Chris Sumner's denial that they had included this claim of conflict of interest in their circular letter, I checked the letter and I am wrong. Suzie Roux and Chris Sumner did not make this point in their letter to all members of

parliament about the bill. Accordingly, I withdraw that claim, amend the record and apologise to Suzie Roux and Chris Sumner.

APPROPRIATION BILL 2012

Adjourned debate on second reading (resumed on motion).

Mr PISONI (Unley) (12:43): I rise to speak on the Appropriation Bill. I note that for the first time in my memory, and I think for the living memory of many members in this house, education was omitted from the Treasurer's budget speech. On analysing the bill and the budget since then, you can understand why, because there really is not much for this government to be proud of when it comes to the education it has delivered over the last 10 years and what it is planning to deliver in the future.

Whenever questions are asked of the education minister about schools, NAPLAN scores, or maths and science, they are ignored and replaced with comments about early childhood development. Of course, we all support early childhood education and early childhood development, but what concerns me is that this government has given up on that cohort of students who are already in the school system. I am referring to those students where we have seen four years where the NAPLAN results have been worse than for the previous year, those students we are seeing continually not turning up for school for two or more weeks per term, as per the government's own figures.

If you look back at the history and the rhetoric of the Labor government on education, I know that there was fanfare and a cry, if you like, from the then opposition leader, Mike Rann, that he was going to be an education premier here in South Australia. But let's look at what has happened in the 10 years Labor has been controlling and running of the education system here in South Australia, and you do not have to go much further than the Grattan report, which was released in February this year, and the Gonski report, which was released in March this year. There were two consistent findings from those reports, and that was that in Australia the education system has gone backwards compared with our trading partners and our nearest neighbours—that we have gone backwards in relation to educational outcomes.

What is even more concerning about those figures is that the distance between those from a difficult socioeconomic background compared to those in the leafy green suburbs has expanded, the difference in educational outcomes has expanded. In other words, we are seeing fewer opportunities for those who start life in a position less privileged than others, and that has been happening across Australia over the last 10 years, according to David Gonski.

The common thread of what has also happened over the last 10 years is that every single education system in this country has been run by a Labor government. We had Labor governments coast to coast. Remember how excited Labor was about the 'Kevin 07' campaign in 2007? Not only was the Labor Party in government right across the country, running all of the education systems but, for the first time ever, there was also a Labor government in Canberra—and that was achieved in 2007.

It is almost as though, now that the Labor Party has achieved that, nothing else matters. If you look at what has happened since then, we have seen the embarrassment of a change of leader in the Labor Party. The Labor Party powerbrokers and the trade unions thought that Kevin Rudd was doing a terrible job, so he had to go. Of course, they replaced him with Julia Gillard, who only just held on in the subsequent election, with the help of Independents, forming a minority government. It was the first time since 1929, I think (I am sure the member for Croydon will correct me if I have it wrong), that a first-term government had been reduced to a minority on the floor of the house at a federal level. Of course, the sadness of all of that is that, during this period of Labor governments coast to coast, we saw a decline in the educational standards in Australia and South Australia.

Let's look at that promise that Mike Rann would be an education premier, and let's look at what actually happened. We always hear about these historical numbers, 'An all-time high.' Of course, it is all relative because every year things go up and every year the budget grows. Even this year, when we have been told that we have been stripped of all of these revenues, we still have an increased budget compared with the previous year. But there has been one consistent theme when it comes to education expenses as a percentage of the budget since the last Liberal budget in 2001-02, where 25.5 per cent of the budget was spent on education, to this year's budget, where 25.4 per cent is to be spent on education. If you look at the figures in between there, we have seen some variations. In the first Labor budget, we saw that 25.2 per cent of the budget

was spent on education. In 2008-09, we dipped down to 24.3 per cent of the budget spent on education. The bottom line is that the government has made no greater contribution to education per size of the budget than was in place when this government took office.

Let us look at what has happened since then. Under this government, we have seen 13,000 students leave the public system and go into the private system. We have seen a very close relationship develop with the Labor Party in government, the department and the Australian Education Union. We have seen a shift in emphasis from teaching being the profession it once was to becoming a job or an industrial situation, where industrial agreements and industrial concerns, through the EBA, become the focus of the government and the union, and consequently children's education must work around that. Nothing could be more damaging to the outcome of children's education than having a system in place that ignores good teaching and that prevents principals from choosing their staff and from managing their staff.

The last EBA, which we all remember was cobbled together by this government in the lead-up to the election because it had done such an appalling job of managing the EBA process for two years prior to that, saw the establishment and firming up of powers of the personnel advisory committees. A personnel advisory committee is made up of the principal, a union rep from the Australian Education Union and an occupational health and safety rep. Any decision to do with staffing levels and even the complexity and make-up of the school staffing—even if a principal wishes to move a teacher from one class to another—must be discussed at a personnel advisory committee. The principal is outnumbered. The principal is supposed to be running the school, but he is outnumbered; his is only one of three votes on that committee.

In that situation, can you imagine any business where the person who is entrusted to run that business, the person who is held up to account for any failures of that business, cannot make any decisions unless he has the agreement of the union representative? That is what we have in our South Australian schools. I had a briefing just recently in Western Australia by the Department of Education about their very successful independent public schools program. We discussed some of the things that were happening here in South Australia with those departmental people—these are not political people but people within the education department of Western Australia—and we discussed how the personnel advisory committees worked. They could not believe that a government would burden a school leader with such a draconian system of management.

I think it goes to the point that, from the government's capitulation on this issue, we can see that it does not trust principals to run their schools, it does not trust school communities to make the decisions for their schools. If we look at the education outcomes, we ask, 'How's that been working for you?' We have seen fewer of our students attending government schools here in South Australia, worsening NAPLAN results year after year and very worrying 'absentee without reason' figures in our schools.

We also need to look at how over the years this government has developed a cost-shifting culture for parents in government schools. Here in South Australia our school fees are determined and gazetted every year, and schools can decide if they want to increase those fees. There have been cuts to schools over the years—not to the department but cuts in schools. If we go back to Premier Weatherill's first budget as education minister, there were about \$100 million in cuts to schools. These cuts included things such as basic skills testing grants (\$8.1 million).

We had co-located schools, forced amalgamations, and we saw the outcome of that just recently when this government put parents through the charade of pretending that they were listening to what they had to say when it came to school amalgamations. Initially they were going to save \$4 million a year, but FOI documents have confirmed that figure is much bigger now at \$6 million a year, and they spent \$375,000 establishing those committees so that they could argue that they were consulting when the minister made that decision.

As to the continuous intake, we were told that we needed to bring ourselves into line with the Eastern States, and that was a justification for that, but if you look at the budget papers you will find that the real justification was \$8.2 million in savings over the forward estimates. That is \$8.2 million that has been pulled out of our schools as a budget measure. Why did the government need those budget measures? Because it was not prepared to increase the percentage that education receives in this state from the budget, but it had to make provisions for the increase in non-instruction time awarded to teachers in the latest EBA. South Australia now has the greatest non-instruction time for teachers in the country, and that was funded through cuts to our schools, not through additional funding to the budget. As a matter of fact, about \$48 million just this year alone is this government's contribution to EBA arrangements.

Everybody has to be paid, and the government signed off on these EBA arrangements, but it did not make provisions in its own budget to pay for them. It took them—certainly Jay Weatherill, as education minister, took them from schools. If you look at other areas where Premier Weatherill, as education minister, took money from schools, you will see that it included \$3.2 million from family day care centres. Green school grants: remember the big announcement on green schools? It was the windmills first and they ended up in storage because they did not work and the company that produced them went belly up. Then the solar panel program simply did not deliver on the expectations that the government had for installing those panels. Consequently, that has been completely dropped from the budget.

IT learning technologies: \$8.8 million in cuts from IT at a time when this government has accepted hundreds of millions of federal dollars for computers in schools at a time when we need those computers to be utilised. We have seen cuts in IT learning programs in our schools to the tune of \$8.8 million.

This is a sad budget for education here in South Australia, and it is no wonder that the Treasurer omitted it from his speech because he was embarrassed about the last 10 years and he was embarrassed of what he had provided as a treasurer for the future of education here in South Australia. We debated in this place a couple of weeks ago about TAFE and further education—but even with the announcement about the government's new training program, the advanced training facility for mining at TAFE at Regency Park—they have ripped \$10.5 million out of the Sustainable Industries Education Centre that they announced in previous budgets. They have discounted one promise to help fund another, even before that one has got off the ground.

Of course, let's remember the promises that were made when that was first announced. It was about 8,600 new jobs at that Sustainable Industries Education Centre at Tonsley Park at the former Mitsubishi site. Now the latest figures from this government are down to about \$3,500 with the latest revamp of what is going to happen down at that site. So, we are seeing a government that has dropped the ball on education, that has lost interest in education, that has not even been focussed on training. This government has had seven training ministers. I seek leave to conclude my remarks.

Leave granted; debate adjourned.

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

SUPPLY BILL 2012

His Excellency the Governor assented to the bill.

FAMILY RELATIONSHIPS (SURROGACY) AMENDMENT BILL

His Excellency the Governor assented to the bill.

ROAD TRAFFIC (AVERAGE SPEED) AMENDMENT BILL

His Excellency the Governor assented to the bill.

CORRECTIONAL SERVICES (MISCELLANEOUS) AMENDMENT BILL

His Excellency the Governor assented to the bill.

VISITORS

The SPEAKER: Members, I draw your attention to the presence in the gallery today of a lovely big group of students from St Peters Lutheran School, who are guests of the member for Davenport. It is lovely to see you and I hope you enjoy your time here. I think you are years 3 to 7. It is good to see you.

ANSWERS TO QUESTIONS

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

MOTOR ACCIDENT COMMISSION

In reply to the **Hon. I.F. EVANS (Davenport)** (29 June 2011) (Estimates Committee A).

The Hon. J.J. SNELLING (Playford—Treasurer, Minister for Workers Rehabilitation, Minister for Defence Industries, Minister for Veterans' Affairs): MAC partnerships for the financial year 2010-11:

| Grants | Amount (ex gst) |
|--|-----------------|
| SAPOL Road Safety Education | \$417,767.00 |
| The Brain Injury Network of SA Inc (BINSa) | \$66,092.00 |
| Centre for Automotive Research (CASR) | \$633,100.00 |
| State Emergency Service support | \$227,272.73 |
| CTP Crash Seminar | \$6,364.00 |
| Australian College of Road Safety Seminars | \$3,000.00 |
| Community Road Safety Groups | \$119,000.00 |
| Dedicated Short Range Communication Trial (DSRC) | \$300,000.00 |

| Partnerships | Amount (ex gst) |
|--|-----------------|
| Ride Like Crazy—SAPOL charity bike ride | \$10,000.00 |
| Bike SA—Amy Gillett Foundation ride | \$42,000.00 |
| Motorcycle Riders Association Toy Run | \$7,500.00 |
| Whowon.net.au—school based sports initiative | \$50,000.00 |
| Barossa Schoolies Bus Service | \$1820.00 |
| Clipsal 500 | \$78,000.00 |
| Encounter Youth Schoolies Festival | \$87,000.00 |
| SA Community Football League (SACFL) | \$120,000.00 |
| Good Sports—encouraging responsible alcohol service and consumption in clubs | \$89,500.00 |

TREASURY AND FINANCE DEPARTMENT

In reply to **Mr HAMILTON-SMITH (Waite)** (9 November 2011) (First Session).

The Hon. J.J. SNELLING (Playford—Treasurer, Minister for Workers Rehabilitation, Minister for Defence Industries, Minister for Veterans' Affairs): Further to my response on 9 November 2011, I advise the positions with a remuneration level over \$200,000 are:

- Chief Executive
- General Manager, Business Development
- General Manager, Project Delivery
- General Manager, Corporate Affairs and Government Relations

NATURAL RESOURCES COMMITTEE

The Hon. S.W. KEY (Ashford) (14:04): I bring up the 67th report of the committee, entitled Eyre Peninsula Natural Resources Management Board levy proposal 2012-13.

Report received and ordered to be published.

The Hon. S.W. KEY: I bring up the 68th report of the committee, entitled Kangaroo Island Natural Resources Management Board levy proposal 2012-13.

Report received and ordered to be published.

The Hon. S.W. KEY: I bring up the 69th report of the committee, entitled Northern and Yorke Natural Resources Management Board levy proposal 2012-13.

Report received and ordered to be published.

The Hon. S.W. KEY: I bring up the 70th report of the committee, entitled South Australian Arid Lands Natural Resources Management Board levy proposal 2012-13.

Report received and ordered to be published.

The Hon. S.W. KEY: I bring up the 71st report of the committee, entitled South Australian Murray-Darling Basin Natural Resources Management Board levy proposal 2012-13.

Report received and ordered to be published.

The Hon. S.W. KEY: I bring up the 72nd report of the committee, entitled South-East Natural Resources Management Board levy proposal 2012-13.

Report received and ordered to be published.

The Hon. S.W. KEY: I bring up the 66th report of the committee, entitled Adelaide and Mount Lofty Ranges Natural Resources Management Board Levy Proposal 2012-13, together with the report of the Integrated Natural Resources Management Plan for the Adelaide and Mount Lofty Region.

Reports received and ordered to be published.

QUESTION TIME

RAIL ELECTRIFICATION PROJECT

Mrs REDMOND (Heysen—Leader of the Opposition) (14:07): My question is to the Minister for Transport and Infrastructure. What are the penalty costs incurred or likely to be incurred because of the decision to cancel or delay rail electrification projects and the purchase of trains? Two weeks ago the government announced the suspension of the electrification of the Outer Harbor and Gawler lines and last week flagged the cancelling of the purchase of some trains.

The Hon. P.F. CONLON (Elder—Minister for Transport and Infrastructure, Minister for Housing and Urban Development) (14:07): There are no penalty costs associated with suspending the electrification. There is no contract which needs to be broken.

Ms Chapman interjecting:

The Hon. P.F. CONLON: I am sorry; the member for Bragg apparently knows the answer to the question, so I can stop right now. There are no penalties associated with—

An honourable member interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: What? Oh my God! There is a negotiation that needs to take place on a contract for the purchase of trains, to purchase fewer trains than those originally desired to be purchased, therefore that negotiation is ongoing. When it has concluded I am sure that information will be available, but it is, yet again, another piece of misinformation from the opposition that there are some sort of penalty costs associated with—

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: —deferring a project that is not contracted to be done. That is just not the truth. It is the reason why—in extraordinarily difficult financial circumstances with a huge collapse in revenues—one of the reasons in the selection that those projects were picked was that there wasn't a need to break a contract to suspend them. That is something that I have been quite open about on the radio and it remains the case. I will say that it won't be as cheap to build those projects in the future as it is now, and that would apply whether you were building a house, electrifying rail or building anything; that is simply the way it is.

PRIME MINISTER'S ECONOMIC FORUM

Ms BETTISON (Ramsay) (14:10): My question is to the Premier. What issues will the Premier raise at the Prime Minister's Economic Forum being held in Brisbane this evening and tomorrow?

Ms Chapman interjecting:

The SPEAKER: Order!

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Minister for State Development) (14:10): I thank the honourable member for this important question. As members will be aware, I will be travelling to Brisbane this afternoon to attend the Prime Minister's Economic Forum. This event is being held at a time when our nation's economic fundamentals are very strong under the stewardship of—

Members interjecting:

The SPEAKER: Order!

The Hon. J.W. WEATHERILL: —the federal Labor government. Madam Speaker—

Members interjecting:

The Hon. J.W. WEATHERILL: —laughs from those opposite—last week, we saw national accounts and unemployment numbers which demonstrate that our nation and, indeed, South Australia's economy remain firmly on the right track. This is even more remarkable when you consider the turmoil going on in Europe and, to a lesser extent—

Members interjecting:

The SPEAKER: Order!

The Hon. J.W. WEATHERILL: —in the United States. Although our economic fundamentals are strong, the hard work does not stop there. Our resources sector has grown dramatically since we took government. We have seen a quadrupling of mineral exports in the last decade to \$4 billion in the year to March 2012. In addition, the transformation of our manufacturing sector to one based on innovation and value adding needs workers with much higher levels of training. We are already investing in training in this budget, investing \$38 million in a new training centre at Regency Park which will focus on training for mining, engineering and transport and defence sectors in partnership with the commonwealth through the national—

Mrs Redmond interjecting:

The SPEAKER: Leader of the Opposition, order!

The Hon. J.W. WEATHERILL: —agreement on skills to provide a high-quality skills agenda. We need to do more work in that regard. The truth is that we have a labour force participation rate which sits at 62.9 per cent, which is below the national average of 65.3 per cent. While this is partly because of older demographics in South Australia, it does show that there is a group of South Australians for whom we can do more to keep them in the workforce.

We also know that there are workers already engaged in the middle of their careers, and there are some workers or people who have been completely disengaged from the workforce for an extended period. Both of those groups need to obtain the skills necessary to participate in the exciting opportunities which we know exist in our economy. I am firmly of the view that the way we realise the benefits of this mining boom and make sure that most South Australians share in it is to ensure that they have the skills to participate. And this is—

Mrs Redmond interjecting:

The SPEAKER: Order, the Leader of the Opposition!

The Hon. J.W. WEATHERILL: —absolutely central not only to ensuring that this prosperity is enjoyed by more South Australians but also, I think crucially, is linked to our ability to gain community support for this important industry. We have seen, I think, an unfortunate national debate that has emerged between employers on the one side and the unions on the other about bringing labour into this country to deal with short-term skill shortages.

Members interjecting:

The SPEAKER: Order!

The Hon. J.W. WEATHERILL: It would be very unfortunate if the dislocation that some of our communities are feeling because of the mining boom, with all of its great strengths and opportunities, is placing real pressures on certain areas of our manufacturing sectors. It, of course, creates dislocation in that it sucks a lot of resources into that sector. These are threats as well as opportunities, and I think that the big answer is the skilling-up of our workforce. That is why we have put so much effort into the skills agenda in this state. It is one of the key issues I will be raising when I am in Brisbane. I look forward to reporting to the house on the outcomes.

Members interjecting:

The SPEAKER: Order!

Ms Chapman: What about the carbon tax?

The SPEAKER: Order, member for Bragg!

Mr Marshall interjecting:

The SPEAKER: The member for Norwood, order! Leader of the Opposition.

RAIL ELECTRIFICATION PROJECT

Mrs REDMOND (Heysen—Leader of the Opposition) (14:14): My question is again to the Minister for Transport and Infrastructure. How much has the government already spent on the electrification of the Gawler line that has now been indefinitely postponed?

The Hon. P.F. CONLON (Elder—Minister for Transport and Infrastructure, Minister for Housing and Urban Development) (14:14): Indefinitely postponed. Can I make it clear—

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: Oh, sharply done! Can I make it clear—

Mr Pisoni: Get someone else to fix it up.

The Hon. P.F. CONLON: You were opposed to the electrification, can I tell the member for Unley. They were opposed to it.

Members interjecting:

The SPEAKER: Order! You've asked the question—

Members interjecting:

The SPEAKER: Order! Minister.

The Hon. P.F. CONLON: They were dedicated to having the most underinvested rail system in Australia. That is the truth.

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: I will be happy, I can tell the Deputy Leader of the Opposition, to answer the question as soon as he and his ill-behaved friends stop interjecting. The amount of money spent on the electrification so far can be obtained from the budget papers. My understanding is that the actual infrastructure that you might call purely electrification would be about \$50 million. That infrastructure will be used in the future when revenues recover and we bring back on the investment; it will be. It is—

Members interjecting:

The SPEAKER: Order! The member for Hammond, order!

Members interjecting:

The SPEAKER: Order!

Members interjecting:

The Hon. P.F. CONLON: It's your dime. When you're done, it's your dime. The simple truth is this: during this term of government, we were faced with the circumstance of having a rail system that had been massively underinvested in a—

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: Madam Speaker, I am not going to try and speak over them as they interject.

Members interjecting:

The Hon. P.F. CONLON: I have an answer if you would have the courtesy to wait for it.

Mr Williams: Get on with it.

The Hon. P.F. CONLON: Thank you. Madam Speaker, I will do exactly as he says. We inherited a rail system that had been massively underinvested for many decades. We had timber sleepers in a rail system that had a 20-year lifetime that were some 40 years old. I have to say that the only purchase of new rolling stock in all of that period of time had been initiated by the previous

Bannon Labor government. We inherited a system that was so underinvested that we looked at it and said, 'Do we invest to bring it back up to scratch or do we close it down?' That is how bad it had become.

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: Oh, and now we're back to the State Bank.

Mr Williams interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: So we set out on the single greatest investment on public transport this state has ever seen—more than \$2 billion. We were able to have the commonwealth—

An honourable member: Great results!

The Hon. P.F. CONLON: Yes, it is actually a very good result. We were able to have the commonwealth put something like \$600 million into public transport for the first time since Federation. We set out to do it. We replaced the wooden sleepers with concrete sleepers. As a result, anyone who rides the trains will tell you—and I note that the Leader of the Opposition is happy to ride a bus as long as it does not get her up too early in the morning. That is my understanding.

Members interjecting:

The SPEAKER: Order!

An honourable member interjecting:

The Hon. P.F. CONLON: Yes, we know the story.

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: I'm sorry to respond to interjections.

The SPEAKER: Minister, you will go back to the substance of the question.

The Hon. P.F. CONLON: The truth is that that massive investment has been interrupted by the greatest collapse in revenues we have ever had, but it remains that the investment that has been rolled out is the single greatest investment the public transport system has seen. This government stepped up to the mark: it did not close it down; it did not set out to do a bit; it set out to do all of it. That has proven difficult in the current economic times, but I assure the house that we will be returning to that electrification because South Australia—

Members interjecting:

The SPEAKER: Order! Minister, your time has expired. I will give you some leeway because of the interruptions.

The Hon. P.F. CONLON: All I would say is that this is our priority as soon as revenues recover.

Mr WILLIAMS: Point of order. On what basis are you giving him leeway? He is not even attempting to answer the question.

The SPEAKER: Thank you. You've made your point of order.

Mr WILLIAMS: The opposition would not mind giving the minister extra time if he would answer the question.

The SPEAKER: Order! The member will sit down. The minister has concluded his answer.

O'CONNELL, MR M.

Dr CLOSE (Port Adelaide) (14:19): My question is to the Attorney-General. Can the Attorney-General inform the house about the new position awarded to the Commissioner for Victims' Rights, Mr Michael O'Connell?

The Hon. J.R. RAU (Enfield—Deputy Premier, Attorney-General, Minister for Planning, Minister for Business Services and Consumers) (14:19): I thank the honourable member for her question. I am actually pleased to tell the house that South Australia's Commissioner for Victims' Rights, Mr Michael O'Connell, has been appointed as Secretary-General to the World Society of Victimology.

The Hon. M.J. Atkinson: Hear, hear!

The Hon. J.R. RAU: It is a great achievement for a South Australian. The World Society of Victimology is a not-for-profit, non-governmental organisation with Special Category consultative status with the Economic and Social Council of the United Nations and the Council of Europe. Brought together by a mutual concern for victims, the society's worldwide membership includes victim assist practitioners, university academics, social scientists, social workers, physicians, lawyers, civil servants, volunteers and university students.

Mr O'Connell was appointed Australia's first victims of crime commissioner in March 2001, and has held the position since that time. The position of Commissioner of Victims' Rights is a unique one, and the work of Mr O'Connell has been invaluable to the government. Thanks to the work of Mr O'Connell, victims are no longer the forgotten people in our criminal justice system. As commissioner, he has provided victims with a voice and assisted victims through lengthy and complex criminal trials. He has also provided timely and succinct advice to government, and has been a strong and consistent advocate for victims since 2001.

This is the first time since the World Society of Victimology was formed in 1979 that an Australian has held this position. I would like to take this opportunity to congratulate Mr O'Connell, and wish him every success with this exciting new opportunity.

CARBON TAX

Mrs REDMOND (Heysen—Leader of the Opposition) (14:21): My question is to the Treasurer. How is it that the carbon tax will cost South Australian taxpayers only \$10 million a year when New South Wales estimates the carbon tax will cost their government \$325 million a year and Victoria estimates it will cost their government \$481 million? The Treasurer told the media on 6 January this year that the carbon tax would cost taxpayers an extra \$10 million a year, but New South Wales and Victoria estimate that theirs will be an average of \$325 million and \$481 million a year respectively, in their forward estimates.

The Hon. J.J. SNELLING (Playford—Treasurer, Minister for Workers Rehabilitation, Minister for Defence Industries, Minister for Veterans' Affairs) (14:22): Madam Speaker, the answer is quite simple. For one, I would point out that—if anyone hasn't noticed—New South Wales and Victoria both have Liberal state governments, and they have actively been campaigning against a necessary economic reform in putting a price on carbon and transforming this country into a low carbon emission economy, and so of course they are going to—

Members interjecting:

The SPEAKER: Order!

The Hon. J.J. SNELLING: —paint a bleaker picture in terms of the effect on their state budget—

Members interjecting:

The SPEAKER: Order!

The Hon. J.J. SNELLING: Well, Madam Speaker, that is a simple fact. Secondly, I would point out that, in New South Wales, there are still state-owned electricity assets. The way the compensation works from the commonwealth, government-owned electricity generators, as I understand it, or as I have been advised, don't receive the same level of compensation as generators that are held in the private sector. So, of course, New South Wales, because of those assets, is particularly exposed in a way that the other states are not.

Members interjecting:

The SPEAKER: Order! Member for Florey.

STATE FINAL DEMAND

Ms BEDFORD (Florey) (14:23): Could the Treasurer update the house on last week's release of the March quarter's state final demand figures for South Australia?

The Hon. J.J. SNELLING (Playford—Treasurer, Minister for Workers Rehabilitation, Minister for Defence Industries, Minister for Veterans' Affairs) (14:23): On Wednesday, the Australian Bureau of Statistics released its quarterly national accounts figures, which includes the state final demand figure for each state for the March 2012 quarter. State final demand (SFD) is an estimate of the level of spending in the local economy provided by both the public and private sectors.

As I have said previously when these figures are released, SFD only paints part of the picture of our state's economy. In particular, it does not include our export figures. Nevertheless, last week's SFD figures for the March quarter showed that South Australia's demand grew by 1.7 per cent, seasonally adjusted, and even by those figures which the opposition like to cherrypick when pandering to the naysayers, on trend terms it grew by half a per cent, consistent with all three eastern seaboard states. So, while I acknowledge that SFD doesn't tell the whole story of the South Australian economy, the most recent figures were encouraging.

Why is this important? Well, it was only three months ago that those opposite, led by the member for Davenport, who had woken up from his periodic slumber, got so excited. What was so exciting? One thing the member for Davenport loves nothing more is talking down—

Members interjecting:

The SPEAKER: Order!

The Hon. J.J. SNELLING: —the South Australian economy. He seized on the state final demand figures for December, thought he saw two consecutive figures of negative growth and eagerly declared to anyone who would listen that South Australia was in a so-called recession.

Members interjecting:

The SPEAKER: Order!

The Hon. J.J. SNELLING: I would like to set the record straight for the house that the ABS has since revised those quarterly figures, so it now looks like the member for Davenport prematurely bolted from the blocks, as often he is known to do. One of those negative quarters has been revised into a positive of 0.3 per cent growth, while the other has turned into—

The Hon. I.F. Evans interjecting:

The SPEAKER: Order! Treasurer—

The Hon. J.J. SNELLING: —while the other has effectively turned into no change.

The Hon. I.F. Evans interjecting:

The SPEAKER: Order! Treasurer, can you just be quiet. I can't hear what you are saying for the shouting from my left. There are members there who want to ask questions. They won't have an opportunity if they keep going the way they are.

Members interjecting:

The SPEAKER: Order! I don't know what it is about treasurers; you seem to provoke activity on the other side. Treasurer.

The Hon. J.J. SNELLING: I'm sorry, Madam Speaker. But where was the member for Davenport last week? When those figures that he got so prematurely excited about three months ago were released, he was back again in hibernation and nowhere to be seen. The question is: will the member for Davenport now admit that the so-called recession, in fact, never ever happened?

STATE FINAL DEMAND

The Hon. I.F. EVANS (Davenport) (14:26): As a supplementary, given the figures have been revised, can the Treasurer tell us what the figures in the June quarter and the September quarter tell us?

The Hon. J.J. SNELLING (Playford—Treasurer, Minister for Workers Rehabilitation, Minister for Defence Industries, Minister for Veterans' Affairs) (14:26): I have already answered that in my question. If the member for Davenport wasn't asleep—

Members interjecting:

The SPEAKER: Order!

The Hon. J.J. SNELLING: —if the member for Davenport wasn't asleep, he would have known.

Members interjecting:

The SPEAKER: Order! Stop this shouting across the chamber.

CARBON TAX

Ms CHAPMAN (Bragg) (14:27): My question is also to the Treasurer. How is it that the carbon tax that will be paid by taxpayers is only \$10 million a year, when the internal transport documents briefings indicate a \$15 million impact on that department alone?

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON (Elder—Minister for Transport and Infrastructure, Minister for Housing and Urban Development) (14:27): The information provided—I assume, as always, by the media for the opposition to frame a question—was drawn from a number of internal memoranda about what would happen if something else occurred. Can I say this: we are talking about public transport. We have actually set the public transport fares for this year. From memory, the CPI was 3.3, that's it.

Mr Marshall: We're not talking about the price: we're talking about the cost.

The SPEAKER: Order!

The Hon. P.F. CONLON: 'We're not talking about the price: we're talking about the cost.' Can I say this to the member—

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: Can I say this to the member for Norwood, given that the premise was about what people will pay, what they are worried about is what—

Mr Marshall interjecting:

The SPEAKER: Order, member for Norwood!

Members interjecting:

The SPEAKER: Order! Minister.

The Hon. P.F. CONLON: I don't know what has happened recently to the future candidate for Norwood, but he seems to have become very agitated, even more than normal. So, what I would say is the pricing of public transport is out there. It has moved by CPI.

The truth is that over the next 12 months there will be further impacts upon CPI; one of them will be a carbon price. Other matters will also make an impact upon the CPI, and at some time next year the budget committee will get together and determine, among other things, what the prices for public transport should be. But can I say this: the truth is that there is a price on carbon. The truth is that we—

Members interjecting:

The SPEAKER: Order! The minister is answering the question.

The Hon. P.F. CONLON: 'Why won't I own up to it?' There will be a price on carbon. We will have to pay a price on carbon. That is the whole point of pricing carbon, to change—

Members interjecting:

The SPEAKER: Order!

Mr WILLIAMS: My point of order is one of relevance. The question was: how is it that the Treasurer is saying the total cost of the carbon tax on the South Australian budget will be \$10 million when it is \$15 million just on the transport department—

Members interjecting:

The SPEAKER: Order!

Mr WILLIAMS: —as revealed by documents from that department.

The SPEAKER: There is no point of order. Minister, continue your answer.

The Hon. P.F. CONLON: They asked me about the effect of the carbon price and I said that there will be a cost of carbon, and they say I am not answering the question. The truth is that, as I have said to the question before—

Mr Williams interjecting:

The Hon. P.F. CONLON: Can you please stop?

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: Can I say very clearly to the Deputy Leader of the Opposition that I don't think he has three votes anymore. I just don't think he has his three votes anymore. Let me—

Members interjecting:

The SPEAKER: Order! Members on my right also, order!

The Hon. P.F. CONLON: The point I am trying to make is we, if you like, confess there will be a price to pay for carbon; that is the nature of it. The truth is—

Mr Williams interjecting:

The SPEAKER: The Deputy Leader of the Opposition will be quiet.

The Hon. P.F. CONLON: I thought that cartoon was very, very flattering of the Deputy Leader of the Opposition. The truth is we believe that a price should be paid on carbon. They do not.

Mr WILLIAMS: Point of order, again of relevance. What we are trying to find out is the truth, Patrick. What is the truth? \$15 million in your department—

The SPEAKER: Order! Thank you.

Mr WILLIAMS: —or \$10 million across the whole of government?

The SPEAKER: This is not an opportunity to make a statement yourself. You will sit down. There is no point of order. Minister.

The Hon. P.F. CONLON: If I can make the point so he understands: there were some forecasts. What will occur over the next year is that there will be a price to be paid for carbon. There will be other prices that affect the department of transport, including the international price of diesel. One of the things that we have done in this state to future proof ourselves, being, I have to say, people who look to the future, unlike the opposition—

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: —is that we now have so much more of our electricity generated in this state produced by low-carbon emissions. So, we have managed to change the impact by being ahead of the game. At the end of the day, the CPI figures will be the CPI figures for next year and there will be a judgement as to what will be passed on. In my view, you will find that this disaster that you claim is the carbon tax has a very marginal impact.

CARBON TAX

Ms CHAPMAN (Bragg) (14:33): I have a supplementary question to the Treasurer. Given the minister for transport—

The Hon. P.F. Conlon interjecting:

Ms CHAPMAN: You might listen, Patrick, then you will know. Given that the minister for transport has suggested that there is a cost recovery of the \$15 million by price increases, as he has indicated, Treasurer, will you then confirm what the gross liability for the carbon tax is to create the net \$10 million that you have suggested?

The SPEAKER: I do not think that was a supplementary. I will count that as a question. Minister.

The Hon. P.F. CONLON (Elder—Minister for Transport and Infrastructure, Minister for Housing and Urban Development) (14:33): For the benefit of the member for Bragg, what I have said was not that there is a cost recovery mechanism for the price of carbon. What I have said is that the price of carbon will have an effect upon the CPI; the price of a lot of other things will have that effect, and at some time next year there will be a judgement about whether CPI is passed on in terms of fares. Sometimes the fare is not the full CPI. Sometimes it is not the internal—whatever the inflation rate we use. That is going to happen. That will be a decision next year. It is absolutely spurious to suggest that, because I have said that, I have indicated a cost recovery mechanism for carbon. You know, I think that if they spent less time interjecting and more time listening they would hear what I said.

The SPEAKER: The member for Taylor.

HEALTHY LIVING INITIATIVES

Mrs VLAHOS (Taylor) (14:34): My question is to the Minister for Health and Ageing. Can the minister inform the house about how SA Health is spreading the merits of healthy lifestyle to South Australians?

The Hon. J.D. HILL (Kaurana—Minister for Health and Ageing, Minister for Mental Health and Substance Abuse, Minister for the Arts) (14:34): I thank the member for Taylor for this question. Members would be aware, I hope, that SA Health is stepping up its efforts to support South Australians to adopt healthier lifestyle habits. Recently a new lifestyle guide, *Your Guide to a Healthier Today*, was produced and distributed to South Australians which is about improving diet and getting more exercise. In fact, we distributed it through the *Sunday Mail*, and 220,000 copies were thus distributed plus another 8,000 to various community organisations and health services.

The Hon. A. Koutsantonis interjecting:

The Hon. J.D. HILL: Smoking, yes. I have not quite reached 100 per cent target there with smoking. This new publication is linking readers with SA Health's Facebook page where ongoing healthy lifestyle tips are being provided to social media users. Since the guide was included in the *Sunday Mail* on 29 April there has been a 250 per cent increase in the number of people following SA Health news (up from 631 to 2,250 on Facebook) where regular tips about healthy lifestyle are provided.

In addition, more than 900 free healthy food cookbooks were ordered and 1,350 people entered competitions to win a range of healthy-living prizes which were on offer. Many users have commented that the guide has been a useful tool to improve their diet and exercise habits. One user commented:

What a fantastic brochure. As a cook in the childcare sector I'm always coming up with different but delicious ideas to get more vegetable and fruit into the food. More people need to understand that it isn't hard to get two and five into everyday meals.

SA Health's Facebook page is reaching a large number of women, in particular, who we know tend to have the greatest influence over food choices within households. SA Health intends to produce another publication later this year that is tailored to the needs of people living in regional South Australia in particular. This is one of a number of government strategies to encourage South Australians to adopt healthier lifestyles. With a quarter of our children and six in every 10 adults either overweight or obese we must try to find new ways to do just this.

A further five communities will this year join OPAL (which is the Obesity Prevention and Lifestyle program), bringing the total number of communities taking part to 20; and we also help Palmerston in the Northern Territory. Councils are coming up with innovative ideas to get children and families moving more and eating healthier food, including supporting local fun runs, running cooking classes, developing local healthy food policies and providing active play kits at libraries; and I have to say that it is great to see the local mayors getting on board in a very creative way.

The Hon. A. Koutsantonis interjecting:

The Hon. J.D. HILL: They are, indeed. Also, earlier this month South Australia hosted a national seminar on food marketing to children, and representatives from government, non-government, public health and industry attended this one-day event where a united step forward was taken to reduce children's exposure to the marketing of unhealthy food and beverages.

CARBON TAX

Ms CHAPMAN (Bragg) (14:38): My question, again, is to the Minister for Transport and Infrastructure. Will the minister confirm whether we will pay more carbon tax as a result of the government's decision to suspend the rail electrification project?

The Hon. P.F. CONLON (Elder—Minister for Transport and Infrastructure, Minister for Housing and Urban Development) (14:38): Firstly, whenever someone suggests 'will you confirm', they are putting an argument. I just point that out. Can I say this, too, 'will we'—can I be clear who you mean by 'we'?

Ms Chapman: It's you.

The Hon. P.F. CONLON: 'You', not 'we'.

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: 'Will the government'—the truth is that the government is likely to pay more carbon tax on those things that produce more carbon. So, given that our electrical generation has a very low carbon footprint, and that given diesel would be higher, we probably would pay more on diesel trains, and that, can I say, is the whole point.

We actually believe in the environment, we believe in the future of our children, and we believe in the state. We believe you should pay more for carbon. We believe it is a very important thing to change the behaviour of governments and of people. If we are going to be hanged for believing that we need to get to a carbon constrained future, then so be it, but that is what we believe. We have put it out there before. We have put it out there again. We believe in a lower carbon future because we think it is the only thing that responds intelligently to all of the science we have.

CARBON TAX

Ms CHAPMAN (Bragg) (14:39): Will the minister confirm how much extra we will pay as a result of his decision to suspend the rail electrification projects?

The Hon. P.F. CONLON (Elder—Minister for Transport and Infrastructure, Minister for Housing and Urban Development) (14:40): Do you mean over the next 12 months?

Ms CHAPMAN: The forward estimates, seeing as they have completely dropped off the budget papers.

The Hon. P.F. CONLON: Over the forward estimates. Given that what we are seeking to do is transition over time from a diesel system to a fully electrical one and given that the current order for trains was only proposed to be reduced by four trains coupling together three carriages, I am quite happy to suggest that over the forward estimates we work out what the difference in diesel was between those and when they would have been in operation in any event and come back to you. But I think from my answer it would be clear to you that it would be a marginal cost in the overall system.

Can I say that what we have here is the thwack of leather on deceased equine. We have had their spiritual leader, Tony Abbott, out there predicting the end of the world with the carbon tax, and it did not occur. Now he says that it will not be the end of the world: it will be a slow strangle—

Members interjecting:

The SPEAKER: Order!

Ms CHAPMAN: Point of order: the minister has indicated that he will get the answer. He does not know; he will get the answer. I am happy with that. He does not need to start flying insults.

The SPEAKER: Thank you. I am not sure what your point of order is. Minister, would you like to complete your answer?

The Hon. P.F. CONLON: I will. The point I make is that it will be, in my view, marginal. I will bring that back. What I would say is this, and I make the distinction: we believe in doing something to reduce the emission of carbon and you do not. It is as simple as that.

Members interjecting:

The SPEAKER: Order!

Mr WILLIAMS: Point of order: the minister is now entering debate.

The SPEAKER: The minister has sat down now. There is no point of order.

CRIME STATISTICS

Mr PICCOLO (Light) (14:42): Can the Minister for Police update the house on recent crime data released from the ABS?

The Hon. J.M. RANKINE (Wright—Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety, Minister for Multicultural Affairs) (14:42): I thank the member for Light for his question and commend him for his keen interest in community safety. The ABS released crime data for the calendar year 2011 last Thursday. This is one of a variety of sources, including SAPOL annual reports and the Office of Crime Statistics and Research website, that makes statistics available on offences ranging from murder to assault, car theft and robbery.

Ms Chapman: What about being handcuffed in prison?

The SPEAKER: Order!

The Hon. J.M. RANKINE: Crime and crime fighting are long-term issues. Success is not measured in small snapshots but in real progress over time, and I am pleased to inform the house that, regardless of which set of statistics you look at, crime is substantially down in South Australia.

Compared to 2002, the data released last week by the ABS showed: motor vehicle theft down 60 per cent and other theft down 48 per cent; unlawful entry down 49 per cent; robbery down almost 37 per cent; blackmail and extortion down 33 per cent; sexual assault down 17 per cent; homicide and related offences down 16 per cent; and assault down 2 per cent. This report also showed that South Australia is one of the most transparent jurisdictions in the country. We record—

Ms Chapman: Except women in prison.

The SPEAKER: Member for Bragg, order!

The Hon. J.M. RANKINE: —an assault even if the victim chooses not to proceed. I certainly recommend that the opposition actually read these reports properly before they make public statements. I was very disturbed last week to hear the shadow minister for police claiming that there had been 57 homicides in South Australia—

Mr WILLIAMS: Point of order: the minister is now debating the answer. We don't want to know whether she was disappointed about what he said. That is debate; it is not factual.

The SPEAKER: Thank you. The member will sit down. Minister, we will hear your answer.

The Hon. J.M. RANKINE: Madam Speaker, this simply is not the case. The actual number of homicides was 27, two fewer than when the Liberals were last in office. But if we were to compare homicide and related offences, that is, attempted murder and the like, there were 68 in 2002, and 57 in 2011—11 less.

Members interjecting:

The SPEAKER: Order!

The Hon. J.M. RANKINE: I won't go into detail by offence, but SAPOL annual reports over the same period have shown a reduction in victim-reported crime of about 37 per cent—in real terms, a reduction of 79,000 offences per year. That means 200 fewer South Australian households every day who are not victims of vandalism, robbery, assault or worse.

It was also pleasing to hear Assistant Commissioner Madeleine Glynn in the media last week providing the latest crime figures: year to date victim-reported crime is down more than 4 per cent; crimes against the person, such as assault and robbery, are down more than 5 per cent and have been coming down for the last four years; crimes against a person involving a firearm are also decreasing, from around 270 last year to 220 this financial year; and robbery is down 13 per cent. Only the Liberals would complain when results like this are achieved.

CREDIT RATING

The Hon. I.F. EVANS (Davenport) (14:46): My question is to the Treasurer. As the loss of the AAA credit rating cost the Queensland government \$200 million a year, and is estimated to cost the New South Wales government \$375 million a year, why should the public believe the loss of the South Australian AAA credit rating will cost South Australia only \$2 million to \$4 million a year, as the Treasurer has previously stated? Is that the estimated extra cost of the loss of the AAA credit rating on the budgeted debt of \$13 billion?

The Hon. J.J. SNELLING (Playford—Treasurer, Minister for Workers Rehabilitation, Minister for Defence Industries, Minister for Veterans' Affairs) (14:46): The yield on our bonds, when they are traded on the market, is about the same as Tasmania, which is a AA+ rated state and has been for quite an amount of time, so there is every reason to believe that there would be a negligible impact on the interest we need to pay on our debt, given that we are also rated AA+. The fact is that the markets had already in fact factored in—

Members interjecting:

The SPEAKER: Order!

The Hon. J.J. SNELLING: —a likely downgrade—

Members interjecting:

The SPEAKER: Order!

Mr Marshall interjecting:

The SPEAKER: Order! Member for Norwood, leave the chamber for the rest of question time.

The honourable member for Norwood having withdrawn from the chamber:

The Hon. J.J. SNELLING: The markets had already factored in a likely downgrade to AA+ in our credit rating and had priced our bonds accordingly.

Mr Gardner interjecting:

The SPEAKER: The member for Morialta will also leave the chamber for the rest of question time.

The honourable member for Morialta having withdrawn from the chamber:

The Hon. J.J. SNELLING: We have recently gone to market and reissued debt; we were oversubscribed for that issue. Earlier in the year, I did a road trip with SAFA to meet with the various institutions which buy our paper throughout Asia and spoke to them about our budget situation; if necessary, I will do so again. I am confident that any impact from the downgrade by Standard & Poor's to AA+ will be negligible.

We have to remember that the United States of America, the largest economy in the world, is rated by Standard & Poor's at AA+ and it has, I think, among the lowest bond yields in the world as well. The credit ratings are not the be-all and end-all to how much you pay in interest.

CREDIT RATING

The Hon. I.F. EVANS (Davenport) (14:48): My question is again to the Treasurer. Was former treasurer Foley right when he said in 2010 that losing the AAA credit rating would 'really send our state spiralling down into an abyss of debt', given at the time the state debt was just \$4.5 billion and now the state debt is budgeted to reach over \$13 billion?

The Hon. J.J. SNELLING (Playford—Treasurer, Minister for Workers Rehabilitation, Minister for Defence Industries, Minister for Veterans' Affairs) (14:49): Well, obviously I don't agree with those statements and certainly don't agree with them applying to the situation today.

MURRAY RIVER

Mrs GERAGHTY (Torrens) (14:49): My question is to the Minister for Water and the River Murray. How is the broader South Australian community playing its part in returning water to the River Murray?

The Hon. P. CAICA (Colton—Minister for Sustainability, Environment and Conservation, Minister for Water and the River Murray, Minister for Aboriginal Affairs and

Reconciliation) (14:49): I thank the honourable member for her question. As has been consistently highlighted by the state government's response to the proposed basin plan, most South Australians will not accept anything less than a healthy river and oppose our irrigators bearing the brunt of returning water to the basin's environment when the problem has been created by overallocation by upstream states.

It has been made clear in our submission to the authority that while we will achieve our 101 gigalitre local reduction target, as set out in the draft plan, we will accept no further requirement to return water being placed on our state or on our irrigators. Further to this, as the Premier stated last week, we do not expect our irrigators to be the only group to carry the burden of achieving our 101 gigalitre target. That is why SA Water is offering to sell around 20 billion litres of water to the federal government for environmental flows down the River Murray. This contribution has been made possible because of a number of factors, including the end of the most severe—

Members interjecting:

The SPEAKER: Order!

The Hon. P. CAICA: —drought on record. It is important to note that the magnificent efforts of urban and regional water users in reducing their overall water use through conservation measures, as well as the government's decision to underpin our water security with the construction of the Adelaide desalination plant, have both been crucial enabling factors in this regard. The decision to offer this water to the federal government reinforces to South Australian irrigators that the city stands shoulder to shoulder with them in the fight to return the River Murray to health. The 20 billion litres is expected to be enough to ensure that South Australia meets the local reduction target called for under the current basin plan, without any further contribution being needed from irrigators.

This contribution also comes on top of a six billion litre contribution from the state government in recognition of the commonwealth government's \$228 million contribution towards the cost of expanding the capacity of the desalination plant from 50 to 100 gigalitres. This is yet another demonstration of this government's determination when it comes to taking the necessary action to achieve a healthy river and support vibrant and productive river communities—something which, sadly, we are yet to see from the upstream states and the authority.

It also demonstrates that South Australians, be they city or country, irrigator or domestic consumer, gardener or primary producer, remain united and prepared to play their part in our fight to restore the River Murray to health. We would welcome the opposition joining the rest of us, instead of running up the white flag at the first sign of grapeshot.

Members interjecting:

The SPEAKER: Order!

Mr Venning interjecting:

The SPEAKER: Order! Member for Schubert, behave!

EMERGENCY DEPARTMENTS

Mr HAMILTON-SMITH (Waite) (14:52): My question is to the Minister for Health and Ageing. Have the minister's statements to parliament that problems linked to overcrowding at emergency departments and the ramping or diversion of ambulances are restricted to Flinders Medical Centre been factual or correct? The minister told the house on 15 May in relation to emergency department overcrowding and ambulance ramping at Flinders Medical Centre that:

All of the other hospitals seem to manage without the problems that are occurring at Flinders.

However, Dr Tony Eliseo of the SA Faculty for Emergency Medicine told ABC radio on 21 May:

I know that at the Royal Adelaide Hospital and at the Lyell McEwin, in the last year, we have also had to ramp patients.

And doctors have announced just this week that due to overcrowding concerns at Lyell McEwin, linked to the minister's decision to axe 18 mental health beds, ambulances may be ramped forthwith.

The Hon. P.F. CONLON: Point of order. It was rather a lengthy explanation—

An honourable member interjecting:

The Hon. P.F. CONLON: No, I won't because the last part of it was pure argument. Overcrowding linked to those decisions. Now that is pure argument and you cannot expect the minister—

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: —not to engage in argument in response.

The SPEAKER: Thank you.

Members interjecting:

The SPEAKER: Order!

Members interjecting:

The Hon. P.F. CONLON: I am not actually appealing to you.

The SPEAKER: Order! Thank you, minister.

Members interjecting:

The SPEAKER: Order! It was a very lengthy explanation.

Members interjecting:

The SPEAKER: Order!

Members interjecting:

The SPEAKER: Order! Minister.

The Hon. J.D. HILL (Kaurna—Minister for Health and Ageing, Minister for Mental Health and Substance Abuse, Minister for the Arts) (14:54): I thank the member for the question. His question, which contained a considerable amount of argument and interpretation, I will break into three parts.

Mr Hamilton-Smith interjecting:

The SPEAKER: Order!

Ms Chapman: You're not usually a scaredy cat.

The SPEAKER: Order!

Members interjecting:

The SPEAKER: Order! Minister.

The Hon. J.D. HILL: Thank you, and I thank the member for the question. His question, which contained a considerable amount of argument and interpretation, I'll break into three parts. The first part of the question was whether or not I had been truthful in my arguments to the house, and he implied that I had been dishonest by saying that ramping had not occurred in any other hospital. That is the implication of his question.

Mr HAMILTON-SMITH: Point of order, Madam Speaker: there was no such implication put in the question. I ask the minister to withdraw. I simply asked him: were the statements factual or correct? There was no assertion that he had deliberately misled the house at all, so I ask him to withdraw that remark.

Members interjecting:

Mr HAMILTON-SMITH: I ask him to withdraw that word, Madam Speaker. Talking about argument, John—

The SPEAKER: Minister, would you be prepared to withdraw that? It seems to have upset the member for Waite.

The Hon. J.D. HILL: I am not sure what it is that the member wishes me to withdraw. I am just simply making the point that he was implying in his question that somehow or another I had somehow misled the parliament, and I was saying that he—

Mr HAMILTON-SMITH: Point of order: there was no such implication. The question simply asked whether the minister's statements were factual or correct. He may have thought them to be correct, but I can tell you that doctors are of the view that they are not.

The SPEAKER: Thank you, member for Waite. It seems to be a matter of interpretation of the question. So, minister, could you please get on with your answer.

The Hon. J.D. HILL: Let me start again, Madam Speaker. There were three parts to the statement and question that the member made. The first one was whether I was accurate when I stated that the problems at Flinders were only at Flinders or were they elsewhere. Then the member for Waite—

Mrs Redmond interjecting:

The SPEAKER: The Leader of the Opposition, order!

The Hon. J.D. HILL: The member for Waite went on to say that ramping was occurring in other hospitals. I think the implication of that question is that somehow I was inaccurate when I referred to the problems only being at Flinders. Let me address the substance of the question. The issue at Flinders was about the dispute between the Ambulance Service and the ED over the admission of patients into the hospital. That had occurred on a number of occasions, and I attempted to do something about it by asking for a review of that particular set of circumstances, because I said to the house and I said in the media that they seem to be dealing with the problems at other hospitals and this is the only hospital at which it seems to be an issue. That is to do with that certain circumstance.

The second part of the question was whether I was aware that there was ramping at other hospitals. Well, let me address that. We asked the head of the Adelaide hospital emergency department whether or not ramping occurred at that hospital. He told my staff that, no, it did not, it was not the policy of the hospital, and to the best of his knowledge it had not occurred at that hospital. That is the head of the emergency department at that hospital. It may well be that another doctor who worked there has a different view or a different memory, but that is what the head of the emergency department, Dr Geoff Hughes, told my office. That is the circumstances at Royal Adelaide.

In relation to the third hospital, which is the Lyell McEwin, the emergency doctor who has been outspoken in the media, Dr David Pope, is the president of the doctors union SASMOA, and his union had been in the industrial relations court challenging my department's decision to close a number of beds in the southern suburbs and at Glenside, not in the northern suburbs. His application to the Industrial Relations Commission was before the commission from about April. Last week the Industrial Relations Commission dismissed their case and said the department had absolute right to close those beds down.

Bear in mind that that decision was based on something which was published in 2007 (the Stepping Up report) in which there was a trade-off. A number of acute beds closed down for a far greater number of out-of-hospital and in-hospital subacute beds. So that was a trade-off which was agreed to some five or six years ago. The doctors union attempted to stop that. They were unsuccessful. Then, on Friday afternoon, in the media at 5 o'clock, having sent a letter to the head of the Northern Adelaide Health Service during the daytime, which was unclear, Dr Pope said that he was going to take industrial action related to the closure of those beds at the ED.

How you could get the closure of hospital beds at Flinders Medical Centre affecting the ED at Lyell McEwin is beyond me, but nonetheless that is what he said. He has since changed his position somewhat. I have said on the public record, and in the media and in this house, that of all the hospitals in emergency department the hospital that I have most sympathy for is Lyell McEwin. The reason I have most sympathy for Lyell McEwin is because there are more beds to be built at Lyell McEwin. We are in the process of building those beds, and after we have completely finished the expansion of the Lyell McEwin Hospital there will be pressure in the emergency department.

We are trying to deal with those pressures through a whole range of mechanisms which I can happily share with the house, but there is no connection in my mind that I can see between closure of beds at Flinders Medical Centre and the Margaret Tobin Centre and any pressures at Lyell McEwin. There are pressures at Lyell McEwin, but they do not relate to that.

I will just say that it is our intention to work with the doctors and work with their representatives, as we have been doing, to make improvements right across the board, but I say to the house one more time: our emergency departments are amongst the very best performing in

Australia. Seventy-six per cent of patients were seen on time up to April 2011-12. That is an improvement on 61 per cent who were seen on time in 2007-08. The national standard in 2010-11 was 70 per cent. We are ahead of the national standard. We are doing very well.

There is more to be done, but it is not so much in the emergency departments; it is in the rest of the hospital and having the flow-through of patients through the emergency departments into other spaces. There is a lot of reform that has to happen in that area and we are working hard at it.

EMERGENCY DEPARTMENTS

Mr HAMILTON-SMITH (Waite) (15:00): As a supplementary, given the minister's answer to that question, does he now acknowledge that overcrowding and ambulance ramping and diversions are occurring at other hospitals and that his statements to the house on 15 May, that the problems were restricted to Flinders Medical Centre, were wrong? Will he retract them and will he apologise to doctors, nurses, paramedics and patients?

The SPEAKER: That was not a supplementary: it was another question. Minister, you have just answered it.

The Hon. J.D. HILL (Kaurana—Minister for Health and Ageing, Minister for Mental Health and Substance Abuse, Minister for the Arts) (15:01): I must be on another planet if that is not a clear implication from his question that I misled the house because there is ramping at other hospitals. That is the point that the member for Waite is making. I absolutely draw a distinction between the issue of ramping and the problems at Flinders Medical Centre, which involved ramping but involved the breakdown of communication between the Ambulance Service and its representatives through the union and the emergency department. That is the issue that I was talking about.

As to whether or not ramping occurs at other hospitals, all I can do is take advice, and the advice to me is that at the RAH it had not been occurring. It may have occurred from time to time at other hospitals. I have not said that it had not; that has never been something I have said. I would be surprised if it had not happened at other hospitals. If it happened at Flinders, presumably from time to time it happens at other hospitals, whether it is ramping in the technical sense as it is known in every other state, where ambulances hold the patients in the ambulance or take them into the emergency department and look after them there.

It is not a policy that we want to see practised. It certainly might happen from time to time. It is not something that is standard practice, unlike in other states. It is standard practice in Western Australia, it is standard practice in Queensland, it is standard practice in New South Wales, and I believe it may well be in Victoria. It is part of the practice in those states.

It is not something that we want to see happen in our state, and what we are trying to do is make the transfer of patients out of the emergency department into the rest of the hospital to free up space so that matters can be dealt with, but from time to time there will be occasions when there are more patients trying to get into an emergency department than there are spaces, and somehow you have to manage that.

On-the-ground decision-making which has good collegiate management between the various sectors—the ambulances, the emergency doctors and the like—is the best way of dealing with these things. The point I made in here and elsewhere which I do not resile from is that the issues at Flinders were different from the issues everywhere else because there had been a breakdown in those relationships.

MINING INDUSTRY

Ms THOMPSON (Reynell) (15:03): My question is to the Minister for Mineral Resources and Energy. Can the minister inform the house of the latest developments in servicing the state's growing mining sector?

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Manufacturing, Innovation and Trade, Minister for Mineral Resources and Energy, Minister for Small Business) (15:03): I would like to thank the member for Reynell for her keen interest in all things mining, and especially her keen interest in big trucks. Adelaide's Outer Harbor has welcomed the arrival of the second direct shipment of Caterpillar trucks and equipment to supply this state's expanding mining sector. The latest consignment includes five 793F mining truck bodies, a 777G off-highway truck, two 24M graders and an 854K wheel dozer and blade—

Members interjecting:

The SPEAKER: Order!

The Hon. A. KOUTSANTONIS: —all to be transported to Cavpower's Whyalla facility for pre-assembly and then moved on to Olympic Dam. The rest of the consignment, made up of a further four 793F truck bodies, four 988H wheel loaders, three 777G off-highway trucks and, of course, a 140M motor grader, is ultimately destined for other sites throughout South Australia.

Members interjecting:

The Hon. A. KOUTSANTONIS: No, you can't go past those; they're a beautiful model. South Australia's mining sector—

The Hon. I.F. Evans interjecting:

The Hon. A. KOUTSANTONIS: Oh, you're awake, are you? Well done.

The SPEAKER: Order!

The Hon. A. KOUTSANTONIS: South Australia's mining sector has now reached a point where it is big enough to warrant monthly port calls to Outer Harbour by Wallenius Wilhelmsen Logistics. These big ships, which regularly carry heavy trucks and other equipment, are creating work here for our stevedores, logistics experts, transport industry and mechanics, before heading to mines in our state's north.

The regular arrival of these direct shipments is yet another example of the growth in our state's mining sector, as more mines quite clearly need more trucks. Unlike the Leader of the Opposition and those opposite who seek to talk down the growth in the resources sector—

Members interjecting:

Mr WILLIAMS: Point of order. The minister is now entering into debate; I think he has finished his answer.

The SPEAKER: Thank you; no, he has not finished his answer. Minister, back to the question.

The Hon. A. KOUTSANTONIS: No, I haven't. Madam Speaker—

Members interjecting:

The SPEAKER: Order!

The Hon. A. KOUTSANTONIS: —this government can see the signs and knows the benefits. The South Australian minerals industry continues to grow across all areas of the industry value chain. According to ABS figures, private new capital expenditure for the mining industry for the March 2012 quarter was \$316 million, the highest it has been since December 2008. New capital expenditure is increasing as a result of the construction of new mines in South Australia, not from an increase in exploration.

For the benefit of the Leader of the Opposition, I will remind the house of *The Advertiser's* explanation of the growth in our mining sector:

Hillgrove Resources Kanmantoo Copper-Gold mine with \$144 million worth of total project capital expenditure.

Uranium One's Honeymoon uranium mine with \$118 million worth of total project capital expenditure.

OZ Minerals Ankata Project with \$135 million worth of total project capital expenditure.

IMX Resources Cairn Hill iron ore mine with \$15 million worth of capital expenditure.

These are a few of the 16 major mines given approval to operate under this Labor government. South Australia's mineral production in 2011 reached a record \$5.5 billion, increasing from \$4 billion in 2010—an increase of 38 per cent. The value of our mineral commodities produced in South Australia has increased significantly from 2010 to 2011.

It is clear that South Australia is fostering an ever-expanding resources sector. This government recognises that, with more mines, you need more trucks—

Ms Chapman interjecting:

The SPEAKER: Order!

The Hon. A. KOUTSANTONIS: —and as such a welcome of the second shipment of mining equipment means that we are doing just that.

GRIEVANCE DEBATE

RAIL ELECTRIFICATION PROJECT

Ms CHAPMAN (Bragg) (15:08): Today we had answers—if you can call them that—from the Minister for Transport and Infrastructure. This minister is one of three, I think, who have been a minister in the Labor government over the last 10 years, and one would have thought he would be able to answer some simple questions, especially in the last few months since he has had a new assistant transport services minister who can take care of all the issues in relation to public transport, ticketing, and all the other disasters that are befalling that aspect of the portfolio.

But no, today, three simple questions were asked about the government's announced rail electrification project cancellations/suspensions/abandonments, and these are not just the rail electrification project to Gawler but also the Outer Harbor light rail project, totalling up in round figures of about \$1 billion. You would think that the Minister for Transport and Infrastructure, with his experience, would be able to answer three simple questions: firstly, how much did you spend last year on these projects that have now been abandoned? Secondly, what, if any, has there been in respect of penalties as a result of cancelling these projects? Thirdly, what extra carbon tax will be paid in the event of us continuing to have a diesel-run system, rather than moving to this new clean, green electrification process? They are pretty basic questions.

What we have heard today is the minister say, firstly, in response to how much he spent, 'About \$50 million.' There are other expenses in relation to the Gawler and Noarlunga lines that have been in the remediation of those lines, but net, for electrification, it is about \$50 million. I asked the minister this last week. I ask him again today to look at page 123 of the budget papers, which lists out a number of rail revitalisation projects and the money that was spent last year—this year, I should say, the 2011-12 year rather than last year, but the last financial year for the purpose of the budget.

What he needs to address, I think, is to explain, when it has rail revitalisation, including projects such as the Gawler line upgrade and other expenses separate to electrification, why is it that, when it specifically has a line that says 'Rail Revitalisation—Gawler Line Electrification', it says \$82,964,000? Why does it say on the rail revitalisation of Noarlunga, on line electrification, \$69,048,000 and, on other projects, substituting for other expenditure, including the 'Rail Revitalisation—Railcars', which was spent last year, \$36,779,000?

So, we do need some answers. How is it that he can tell us today that, of the expenses spent on these lines, the money spent is about \$50 million, when there are specific provisions here, separate to the rail resleepering, separate to programs for the revitalisation of turnback arrangements, upgrades, etc.? Are the budget papers wrong—in which case he needs to tell us and to fix it up.

What are the penalties on cancelling? He says he is negotiating in relation to the contract for railcars because we are going to have an excess. Obviously, they are going to sit in the plastic unless we can cancel that. We should have had some answers on that. What is incredible is that he comes in today, having cancelled \$1 billion worth of rail infrastructure projects for electrification, and he cannot tell us how much extra it is going to cost the government or, more particularly, the consumers in this state for the extra carbon tax that will be paid on that cancellation.

Of course we need to have some answers on that. We need to have some answers on, of all of the hundreds of millions of dollars, because it is a project of over \$2 billion that has now been haemorrhaged to a halt, how much, if any, has to be paid back to the commonwealth under the acquittal process?

These are all fundamental questions that we need to have answered by this minister, who has clearly had the experience in cabinet. He ought to know what he is doing. We need to know what we are doing in respect of what the community can expect to have to pick up, prop up and pay for, as a result of what appear to be, at this point, decisions that are made purely on the financial salvation of the Treasurer to be able to balance his books, when there are clearly very significant financial consequences. We need to have the answers as to what the public are expected to pay, as a result of this poor administration.

PORT ADELAIDE, KNITTED ADORNMENT

Dr CLOSE (Port Adelaide) (15:13): With much pleasure, I wish to inform the house about the explosion of knitting all over the Port this winter. Known as 'yarn bombing' or 'guerrilla knitting', if you come to the Port you will see trees, railings, light poles and objects like shopping trolleys and bicycles wrapped in highly coloured and expertly knitted wool.

This is not just fun, although it is very fun both to do the knitting and to go and see it. It is an example of just how healthy the community of the Port is. Some talk the Port down. There are even some in local government office who do this. I will never talk us down because I know how tough, positive and strong the community is. When some of the local women—and I must note it is mainly, but not exclusively, women who are behind this—sat back and contemplated a long cold winter in the Port, they decided to do something to entertain the locals and to attract visitors, and they got knitting.

On the first day of winter, after a hard day in the office, I walked down Lipson Street to go to one of my many favourite pubs and saw a dozen or so people starting to stitch knitting onto trees, railings and benches—anything that did not move. By the next day, the weekend, the Port was festooned and it looks fantastic. Even my office has been adorned and one wit added a note that the Port was a 'close-knit community'.

Since then, I have seen photos of the local pub owner and two of his clients, both burly blokes, making a valiant attempt to contribute to the knitting. Everyone has had a go. What they are doing is not just making the place look great, but also reminding all of us that the Port is alive, eccentric and creative and always worth a visit.

FOURTH CREEK CATCHMENT GROUP

Mr GARDNER (Morialta) (15:14): Last Wednesday I had the opportunity to attend one of the Fourth Creek Catchment Group's working bees beneath the Morialta Barns behind Norton Summit. It is very much in the heart of Morialta and a beautiful piece of land, even more so thanks to the efforts of the Fourth Creek Catchment Group, which has worked tirelessly to reclaim the area from weeds and return it to a natural ecosystem.

The Fourth Creek Catchment Group was originally established 12 years ago by Mr John Smith, who has been described to me by the current president, Mrs Jacqui Dekker, as 'an enthusiastic environmentalist'. His enthusiasm was infectious and the group quickly grew and has worked on and delivered many projects around the Fourth Creek catchment area over the 12 years of its existence.

Like many of the other great organisations around Morialta and the rest of the state, the Fourth Creek Catchment Group is a purely volunteer organisation. The bulk of their work is done by roughly 10 to 15 active members, with support from others from time to time. They run working bees, which involve a mixture of weeding introduced species and planting native species, provide educational walks, work with the local primary school on the Waterwatch program and work with landholders.

In the past, they have worked on areas along the Heysen Trail and a small area next to the Norton Summit CFS station. Recently they also set up possum and bird boxes along the Heysen Trail. I am pleased to advise the house that all those possum and bird boxes are tenanted—if only the government were as efficient at placing housing trust tenants in vacant Housing SA properties. Reclaiming these areas is a long-term project conducted over a number of years, as each step requires the right weather conditions.

The current project next to the barns has been a shared project between the Fourth Creek Catchment Group, who have the expertise and organised the whole project; Youth With a Mission, who own the property and has offered a great number of volunteers to help out; and the Norton Summit-Ashton, Cherryville, State Support and Summertown CFS brigades, who helped by burning off blackberries in April this year.

I am told that on the day the younger members of the brigades, one of whom sits in my office, placed themselves strategically out of harm's way, leaving Bob Butler and Sandy Taylor AFSM—two of the more mature members of the brigade—to deal with the climbing fire and smoke, which they did very well, as they have done for many years before. Congratulations also to John Naumann, who is the Captain of the Norton Summit-Ashton CFS brigade, for organising the burn. I believe it is a fantastic example of volunteers with different skill sets and different sets of interests working together effectively for a common purpose.

Last week's working bee was held to finish clearing the rest of the blackberries and prepare for another spray so that they do not grow back. Thanks to Jacqui Dekker from the catchment group and Chris Harrison from Youth With a Mission for their generosity in time and sharing the site with me as we battled muddy and slippery conditions on a fantastically clear morning. Already it was clear that some of the blackberries were sprouting again and that, without the efforts of the catchment group, it would not be too long before the area was once again infested with weeds.

It is a shame that many of these species were introduced to Australia in the first place and have taken over so voraciously. Very often, somebody with an untrained eye might go for a drive in the Hills and comment on the lovely vegetation without realising the damage these introduced species cause to our natural ecosystems. Without the efforts of environmental volunteer groups—such as the Fourth Creek Catchment Group up at Norton Summit; the Campbelltown Landcare Group at Wadmore Park; the Sixth Creek Catchment Group, who work all the way from Summertown down to Castambul on the northern border of my electorate; the Friends of Black Hill and Morialta Inc., who support the work of DENR in those two conservation parks; and other local groups too numerous to mention in the time allocated today—our local environment would be under greater threat.

Like many volunteer organisations, the Fourth Creek Catchment Group is always looking for more members. The working bees are hard work, but it is always extremely rewarding to see the results of your own contribution. The group is also always looking for grants, as the cost of hiring equipment and spraying weeds is expensive. With two or three sprays required, it can be a long and drawn-out process. Once again, I thank the Fourth Creek Catchment Group for their hard work, and I am pleased to have been able to acknowledge them in this place today.

QUEEN'S BIRTHDAY HONOURS

Mr BIGNELL (Mawson) (15:19): I rise today to pay tribute to three legends in the seat of Mawson, who were very deserving recipients yesterday of Order of Australia medals in the Queen's Birthday Honours List. I congratulate Eric Bennett, Mos Hancock and Paul Rosser for the significant contribution they have made to our local area over many years. Eric Bennett has played a major role in the development and operation of the Hackham West Community Centre as a hands-on volunteer and a manager, serving as chairman for four terms. His capacity to lead the growth of community services in Hackham West is worthy of recognition. Growth of such services has been achieved through personal attributes, to encourage others, to give his time and to take an interest, as well as through skills and a determination to fund the growth of the Hackham West Community Centre. After 20 years of voluntary service, Eric continues on the board of management and does a terrific job with the local people. Whenever you go around to the Hackham West Community Centre he is always there, as he has always been there for so many years.

Mos Hancock has made a significant contribution to a number of South Australian communities through his lifelong voluntary involvement in community organisations wherever he has lived, particularly with his support for veterans and Legacy, and his involvement with sporting clubs, the Willunga Recreation Park and the Willunga RSL. He is the President of the Willunga Recreation Park, a \$5 million facility entirely owned by the community of Willunga, and in this capacity he has ensured an annual turnover of \$250,000 while continuing to expand the services and opportunities available to his community, campaigning tirelessly to raise over \$25,000 in sponsorship. One thing about Mos (and I have had plenty do with him), every year that I have been the local member Mos has been at me to see whether we can get some more money for sport and recreation grants. I am happy to say that most times we have been able to oblige, but we are always after a little bit more for the Willunga rec centre.

In serving his community, Mos has overcome post-traumatic stress disorder and depression brought on by his time as a rifleman in Vietnam in 1969 and 1970. Mos has been involved in more than 17 different community organisations in a variety of posts since his return from Vietnam, including sporting clubs, the RSL, Legacy, the veterans' community and festival committees, and he continues to work in conjunction with the Onkaparinga council on Avenues of Honour.

Paul Rosser has worked as an environmentalist in a number of organisations over a long period of time to make a huge impact on the environment and on community attitudes in the southern region of South Australia. His service in this area has been as an unpaid volunteer. He has been an active member of organisations such as Trees for Life, the Willunga Creeks Project,

the Willunga Environment Centre, the Willunga Hillsface Landcare Group and the Washpool Restoration Steering Committee.

He has single-handedly planted more than 250,000 trees in our local area. He has encouraged and organised others to be involved in the restoration of native vegetation and habitat, and he has been active in mentoring, educating and training volunteers and children from local schools in how to propagate trees. He has taken the lead using initiative to write submissions and to liaise with all levels of government to obtain more than \$1 million in grant money for environmental work.

It was great to talk to all three of these gentlemen yesterday. I called around to see Paul, because, when I rang, his wife, Bronwen, said that he could not come to the phone because there was a scrub fire in the creek. He is only around the corner, so I went around to his house and he was there. A couple of young fellows—they were only about 11—decided to light a fire in the creek to keep warm. No malice was intended at all but the fire got away. The CFS was there and the police were there. Paul said, 'I was talking to this young fellow—he's 11 years old. He said that it was the worst thing that's ever happened in his life.' Paul, at 66, always the mentor said, 'You're going to have worse days than this. It was an accident. You didn't mean to do it.' That is the great strength of Paul. Like all these three gentlemen, they look out for other people in the community and pass on some wise words and counselling where it is needed.

I spoke to Eric, and he thought it was fantastic, not as a personal win for him but for Hackham West, because as a suburb it often gets a lot of unwarranted negative publicity. So, it was terrific, he thought, that Hackham West was being recognised for some really good things, and to be up there in the Queen's Birthday Honours list was something that he, Mos and Paul were extremely proud of.

Their families were all gathered around yesterday in their homes to celebrate, and I am sure that, later in the year, the families will gather at Government House for a very important milestone as these people are recognised for the fantastic contribution they have made.

CADELL FERRY

Mr VAN HOLST PELLEKAAN (Stuart) (15:24): I rise today to speak about the government's disgraceful decision to close the Cadell ferry. Apparently this decision has been made so that the government can save \$400,000 per year. I can understand that there is not endless money to spend on everything going on in the state, but what is most concerning for me about this is the fact that the \$400,000 is going to be spent in another town. There will actually be nothing saved to the state: this is just a penalty on Cadell. They will relocate the ferry, or perhaps sell the ferry, and the annual operating budget will just be transferred to another town on the Murray where a ferry currently operates.

The town of Cadell has approximately 100 people. It has suffered enormously over the last 10 years through the worst drought on record in our state. Cadell, probably more than any other town in the river, has suffered, and that is very clear to anybody who takes the time to visit and look around at what were vineyards and orchards and what was a thriving small country town.

This town has a very good and strong heart. It is towns like this that deserve support. It is not good enough for the government to just say, 'This is a small town with one of the least patronised ferries on the river, so we'll just get rid of it.' It is actually the government's job to provide these services. It is the government's job, in all different portfolio areas, to provide services where business cannot. That is one of the main reasons we have government. Just to say to Cadell, 'Sorry, bad luck, we're going to put these resources somewhere else,' is not good enough. Why is it that every time this government needs to save money, it turns to regional South Australia first? Why is it that this government looks for soft targets? I can tell you that the township of Cadell will not be a soft target. The township of Cadell will do whatever is required to stand up against this decision. This ferry is incredibly important to this town.

Another really disgraceful aspect of this decision is the lack of notice. There was no community consultation. The community was informed informally last Monday (4 June) that the ferry is going to be pulled at the end of this month. It got no formal notification until late last week. So the community has approximately three weeks' notice that one of its most important assets is going to be taken away.

This ferry is very important for many reasons, not the least of which is that in extremely high water, in flooding times, it is one of the last ferries able to operate. So, it may well be one of

the only ferries at a time of flood—this one that is to go—that is able to operate. Another of the most important aspects about this, which I just do not think the government gets, is the impact on the school.

Members here have heard me talk about small schools in regional South Australia many times. At present, there are 26 students in the Cadell school, of which five, plus two staff, travel to school every day on this ferry. If they cannot get to school on that ferry, they then have to travel via Waikerie or Morgan. Why would you drive right past another primary school to take your students to Cadell? The shortest route right now is directly to Cadell. I think it is very likely that these kids will go to one of the other primary schools that they will have to drive past. I really fear that this will be the last nail in the coffin for the Cadell school, which is actually a fantastic local primary school that does wonderful work and which is extremely well supported by the whole community.

This extra burden is imposed not only on the school but on the locals, businesses and visitors. Asking people who come to Cadell from that side of the river to travel through Morgan or Waikerie (of course, good luck for Morgan or Waikerie—and I do not begrudge them at all) has the potential to kill Cadell.

Cadell has a great spirit. The community works extremely hard in many ways, including with tourism. They put on the Cadell Easter Harvest Festival, and I can tell you that the ferry at Morgan and also at Cadell is packed on that day. This is a community that works exceptionally hard.

It is absolutely outrageous that the government can spend \$40 million on a footbridge for pedestrians to walk across the Torrens to get to the Adelaide Oval for entertainment but cannot spend \$400,000 a year for this important piece of infrastructure so that local people, businesses, tourists, all sorts of visitors, can travel across the River Murray to get to Cadell. It is outrageous that the government can find \$40 million for that footbridge, on top of the \$535 million for the upgrade of the Adelaide Oval, but cannot find \$400,000 for Cadell.

KATE RHODES OAM MEMORIAL CONFERENCE

Mrs VLAHOS (Taylor) (15:29): I would like to speak today about a great event that I had the pleasure of attending on behalf of the Minister for Veterans' Affairs, the Hon. Jack Snelling MP. The Kate Rhodes OAM Memorial Conference, Widows Helping Widows, was opened by His Excellency the Governor of South Australia and was hosted by the War Widows Guild of Australia, with major support from the ACH group. The conference, focused on supporting war widows and their families, was a fantastic success, with around 70 women attending on each of the two days. Attending with myself were Mrs Audrey Blood, the national president of the War Widows Guild of Australia, Mrs Marjorie Schulze, the deputy chairperson of the ACH group and chairperson of the Foundation of Older Australians committee, and Mrs Kath Harrison, the president of the War Widows Guild of Australia (SA) Incorporated and a member of the Veterans' Advisory Council of our state.

While I am not a veteran or the widow of a veteran, my family does have service community links. My grandfather served in the RAAF during the Second World War and received commendations for his work. He died many years ago, but his contribution and my passion for the veterans community probably stems from that time.

Mrs Pam Judge, who was the inaugural Kate Rhodes OAM scholar and conference convenor, asked me to speak to the conference about the state veterans' affairs portfolio and the commitment shown by this government to our veterans community. In preparing for the conference I gave much thought to what it would be like to be the widow of a veteran. I have truly considered that while I cannot fully understand what it must be like to be married to a person who has served and have that person, my partner, predecease me, what strikes me most about becoming a veteran's widow is that it is a circumstance that is not of their making. They have no choice in the matter.

In many cases it brings extraordinary demands into your life. Moreover, those demands may begin well before the death of your loved one, and in some cases will continue forever. I am told that many veterans who serve overseas return a different person to the one who left, or gradual changes ensue over the years. It is almost always the partner who is caring for this person and protecting not only them but their entire family.

This is an enormous long-term responsibility and I do not think the challenges of the situation are really fully understood by the broader community. It is in these circumstances that the

role the war widow plays is so important both to family and the community, and it is why it is so meritorious. To properly care for such people in our community, the Labor government created the state veterans' affairs portfolio in 2008. Despite having the Department of Veterans' Affairs at the federal level, we noticed that at a state level in almost all the cases the very services that veterans rely on are delivered by the state. DVA may pay for those services, but it is the state that physically provides them.

To take hospitals, for example, if you have a DVA entitlement, then you visit the hospital and you present your DVA card. While DVA pays the bill, it is a doctor who is responsible to SA Health who treats you. It is fair to say that since its establishment the state model has created and captured much national attention. I know the minister is pleased that nearly all states around the country have sought our advice about setting up similar portfolios.

It was a great honour to attend this year's Kate Rhodes OAM Memorial Conference and I look forward to continuing my work with the veteran community in the north and throughout South Australia, a community I have so much admiration for.

ABORIGINAL LANDS PARLIAMENTARY STANDING COMMITTEE

The ACTING SPEAKER (Hon. M.J. Wright): I advise the house that the Speaker has received the resignation of the member for Florey from the committee.

The Hon. M.F. O'BRIEN (Napier—Minister for Finance, Minister for the Public Sector) (15:33): I move:

That Dr Close, member for Port Adelaide, be appointed to the committee.

Motion carried.

APPROPRIATION BILL 2012

Adjourned debate on second reading (resumed on motion).

Mr PISONI (Unley) (15:33): Prior to the lunch break I was discussing the training facilities that were promised by this government and have not ended up being delivered. I think it is fair to say that there were a number of other promises that are a long way from being delivered. The key one, of course, is the promise of 100,000 new jobs that this government made in the lead-up to the last election. That was to occur over the last six years, and of course we on this side of the house have been very quick to point out that the government is a long way behind in delivering those new jobs. As a matter of fact, since that period only part-time jobs have been created in South Australia.

Since that promise was made, we have seen only around 14,000 part-time jobs created, and in this budget the figures confirm that there will be only 62,000 jobs over the six years from 2010-16—well short of the government's promise. Do not forget that there was also a promise of 100,000 apprentices and trainees, and we learnt quite early on that there was an overlap of those apprentices and trainees and the new jobs. If you look at the net delivery of that promise by this government, in that six-year period we will be worse off than we have been for many years in the creation of new jobs.

In the lead-up to the last election, the government also made an election promise that it would expand four state high schools. This was made on 16 March, just a few days before the last election. I particularly want to remind the house about the promise made about Adelaide High School, that is, that it would be expanded. The government's own press release stated that it would be expanded to cater for 250 more students from 2013 without encroaching on the Parklands.

We know that just recently the government received permission from the Adelaide City Council to encroach upon the Parklands for that development. From the budget papers, we can see that the completion of the Adelaide High School expansion, along with the other high school expansions that were all to be finished by 2013, will now not be finished until the September quarter of 2014.

So, not only did the government break its promise in regard to the Parklands not being encroached upon to expand Adelaide High School but it also promised the people of Prospect and others in the northern suburbs that their children would be able to attend that school in the 2014 school year. We now see that 2015 will be the earliest, and there is still no news from this government about the rezoning. We know that the school itself is about 250 students over capacity, yet the expansion will only allow for 250 more students; maybe that is a clue as to why this government is refusing to announce the new zoning.

Parents need to plan. Those parents with children in primary school need to plan for their children's education. We know that surveys that were done in 2009 in local primary schools in the Prospect area all said that only 4 per cent of students intended to go to a high school in their zone. Parents need to know whether this option is available to them, yet this government is not sharing that information with them.

Ms CHAPMAN (Bragg) (15:37): This year, fresh in the wake of the May federal budget, South Australians have been hit by a bus—or I would probably normally have said that, except that in this state it is more than likely that it would not have turned up on time, if at all. The May federal budget was delivered to us after a period of, I suggest, fiscal irresponsibility by the Rudd and then Gillard governments. We have the legacy of a government which has borrowed \$100 million a day and which is paying \$22 million a day in interest on the debt it has accrued since coming into office.

It has imposed a carbon tax which, as I understand it from the federal estimates, is to impose on Australians, including, obviously, South Australians, about \$38 billion in revenue cost in this forthcoming year, and just to add salt to the wound it is in the middle of a \$36 million advertising campaign to tell us how fabulous it is. South Australians, reeling from this enormous financial burden they have inherited now under the federal administration, had the state budget.

In South Australia, over the last 10 years we have learned the importance of sustainability, as probably many Australians have. Some would argue that it is a 21st century concept, and it is certainly a threshold that is applied to many precious resources. Whether it is in environmental protection, food production, home building, or energy consumption, the idea of ensuring that we apply our resources in a measured and moderate way is at the forefront of many decisions and certainly a principle applied by many of the leaders and decision-makers in our community. It does not really matter whether it is people, energy, water or wildlife, these are just a sample of what is important for all of us to appreciate, in whatever leadership role we have, that we act in a financially prudent and responsible manner.

However, with the advent two years ago of the Sustainable Budget Commission initiative of then treasurer Kevin Foley, after we had gone through the state election (notwithstanding they had been in office for some 10 years at that stage and he needed to have someone else tell them how to fix up the mess that he had created), we had an assessment done of what was necessary to bring the state back into order.

However, the government has pursued a reckless fiscal approach and has just continued its irresponsibility in the last 10 years, which is evidenced by the spending of all the surplus funds the government has received, the hundreds of millions of dollars that it received each year above its anticipated budget, usually from GST revenue, which it would year after year squander on projects.

I will just give some examples. The refit of the headquarters of SA Water I think is one of the most obscene, spending some nearly \$50 million to refit a new headquarters for one of its instrumentalities when the state was in the grip of drought. That was followed by the \$403 million pipeline that was ripped through the eastern suburbs to support the desal plant. These are initiatives they would say they stand by with pride, but I suggest they are symptomatic of their failure.

They have sold just about everything out there that they can. In the latest round, of course, is the administration precinct in Victoria Square, the heart of government, which is about to go onto the market, including the SA education building, and the Lotteries Commission and the forests were in the last wave. Before that, we saw wave after wave, notwithstanding the 2002 promises of then premier Rann that he would not be selling the Lotteries Commission and the forests; the list is quite extensive.

I think there are only two things left on that list. There is some \$7½ billion worth of housing trust (I am sure they will be on the market as soon as they can) and also one of the finance institutions that was operated through the former South Australian housing trust could also go on the market—just about everything has been sold or is in the process of being sold. Then we have the continued spending every year of more than what is earned. The deficit is really a situation which we are now used to.

Interestingly, I was reading the auditor-general's and treasurer's report from 1972 (40 years ago). I picked it out because it was at the commencement of the Dunstan regime. At that stage, there was a \$1,066,000 deficit in an annual budget of about \$450 million. That was seen as really quite irresponsible. That deficit was 0.23 of 1 per cent of his budget. Now, we have 5.44 per cent of

the total budget in this forthcoming year with an expected deficit of \$867 million, and the Treasurer just dismisses it as though it is of no consequence, and as though that is being fiscally responsible.

Notwithstanding that there is an expected significant reduction in the income stream, the government has decided to proceed with projects such as the Royal Adelaide Hospital, the stadium and the footbridge, just to name a few, when, clearly, the government says they have not got enough funding to even provide basic services. We just heard about the Cadell ferry. I note from the Sustainable Budget Commission that the Lyrup ferry is also under threat, so I expect next year will see the demise of other country infrastructure and services.

The key themes, therefore, of this decade of government have been rampant overspending, gross wastage, spiralling debt and a continued failure to hit budget saving targets, because, of course, the Sustainable Budget Commission recommended that there be some reining in of expenditure. The government promised this year, as they have in many years in the past, that it would deal with the reduction of the Public Service, that there would be a 1 per cent efficiency measure and some 1,000 jobs would be lost. This is their initiative. They promise this type of initiative every year, so what concerns me is that they promise one thing and then they simply do not achieve it.

Just on 3 June, I noticed a published record from documents obtained through FOI from the government. It was an excess employees list showing that some 360 public servants earning up to \$118,000 a year were still being employed by the state government despite there being no need for them and yet the government kept them on the payroll. Something is seriously wrong when the government insists that it is acting responsibly, responsively to economic conditions internationally, and yet just today we have the Premier stand up and tell us how well we are going economically in this country.

They have to be consistent; they cannot have it both ways. If they are going to say, 'We do need to exercise some restraint and we do need to be more disciplined in our expenditure,' then clearly they need to be consistent and they need to explain to the people of South Australia why they are still going to build a footbridge and why they are still going to incur what will be a total of about \$4 billion in the cost of a hospital during its lifetime, when there are so many other services in need.

I think at this stage they have utterly failed and if the Treasurer was undertaking a degree in sustainability, then he would have absolutely failed in trying to suggest to us this year that he is going to steer us out of these difficulties. If it is not bad enough that we have his promises, we have the very glossy multiple-volume documents that we now receive to indicate how well off we are, but it is also concerning to note that, when they say they are going to do something like arrest the explosion of actual expenditure—they told us just three years ago that in this forthcoming financial year we were going to have a \$304 million surplus—we find that they have published this year's budget and in fact it is going to be a \$1.2 billion turnaround, so that we are actually going to end up with a deficit of \$284 million.

How can we possibly believe them when they tell us that we are going to go through a few hard years but all is going to be wonderful when we reach 2015-16, when we are going to have a \$512 million surplus? They cannot be believed. They cannot be trusted on this because they have demonstrably failed year after year after year and it is a cruel twist to place on the people of South Australia an almost aggressive support for the federal government's announcement that it will impose a carbon tax. Daily, the Premier or members of the government stand in the public arena and talk about how proud they are to be supporting the federal carbon tax and yet they have utterly failed to provide us with particular data as to the burden that is going to be transferred to the people of South Australia.

I think it is going to be like quicksand. All these things sound good, they look good—they look pretty, even—but once you get stuck in them, you get sucked down, dragged down and suffocated with an extraordinary expense. I think the government does need to explain to us how the cost is going to be met just from the government alone, let alone the private sector. In the \$38 billion estimate of revenue that the federal government thinks it is going to get in this first year out of the carbon tax, just on the assessment of our 8 per cent share, I think we would be expected to be providing about \$1 billion.

It may be that overall we have more efficient production of energy, fuel and the like which might reduce that, but we are still talking about hundreds of millions of dollars that South Australians and the South Australian government are going to have to come up with. We hear the

government today persist in saying that we have a \$10 million exposure as a government towards costs, but it just seems to me that we need more detail, including how much of the total carbon tax bill consumers will be expected to pay in increased fees, taxes, etc., to cover that.

I also note that the government really has developed a master's degree in secrecy. The Treasurer has clearly graduated from the school of spin. His opening line in the budget this year was to assure us of the wonderful, strong foundations that we are going to have with the development of the BHP Roxby Downs venture, and yet we have daily reports in national newspapers of the concern that has been expressed by BHP about the operating conditions in Australia and particularly, I think, about the development of major infrastructure in other parts of Australia which have not been advanced.

When you couple that with the Treasurer's own decision in this year's budget not to already advance an announcement in 2009 to build 14 homes in Roxby Downs for public servants to facilitate this great venture, one is very suspicious about his confidence in the project. This is all about spin, but the reality is that if we are to have a sustainable budget—as we do have an expectation in other aspects of life in South Australia—and if the public, who are the shareholders in South Australia, are to have confidence in that precious resource of money, public money, and the efficient use of public asset, they are entitled to have more from this government.

We previously had an era when premier Rann said, 'I'm going to allow cabinet documents under freedom of information.' What do we find in recent times? We find that the shutters are down and we do not have access to those cabinet documents. We have the lobbyist register which aims to make people honest about any former conflicts of interest. Recently, I noticed that the former treasurer of this state, Kevin Foley, has become a lobbyist on the register. I raise this question: how is it that he can be a lobbyist for the Australian Submarine Corporation when, less than two years ago, he held portfolios as the minister for defence and treasurer of this state?

How is it that he is able to do this when the code of conduct with respect to lobbyists requires that a minister must be retired for more than two years? These are basic standards with which we expect our current and former administrations to comply and which are consistent with being an open and accountable government. Of course, they are caught out. Today, they have done a backflip on the licensed premises for small operators to try to get out of that extraordinarily embarrassing, high-cost and unreasonable take on that community.

Last year, we saw a turnaround on The Parks Community Centre but with no money; the government was caught up with that in the previous year, and it was embarrassing. Previously, Monsignor Cappo and the current Premier and Attorney-General all stood up and spouted their support for The Parks Community Centre, saying that it was an important social place for this state. Now, two years later, they are going to convert it into a sports facility with only half the area.

Until they are caught out, until they are caught like a rabbit in a spotlight, they do not budge from what they insist on. We have the carbon tax. Just to give an example, we asked a question about the carbon tax of the Minister for Transport Services in early April, as to what knowledge she had of the modelling in the transport department that would affect the cost of fares and the like, and she had no idea. She did not know, was not aware of it, did not have a clue.

Within weeks, a memo is being sent around, now disclosed and published on the weekend, and provided under freedom of information. Within weeks, there were memos to senior members of her department, identifying that there would be a \$15 million impost as a result of carbon tax on capital works and operating works.

Sure, the minister for transport stands up today and says, 'Yes, but we are going to be charging more fares.' Well, we know that. Fares are going to go up to over \$5 a trip, multitrrips are going to become much more expensive. We know that they are going to claw that back off the public, but here we have a situation where, until they are caught out, they do not disclose anything. It is just not acceptable. The people of South Australia are the shareholders in this entity. They are the payers, it is their money and they are entitled to have some information about that.

All I am asking is that the government tell the truth. If they were directors of a public company, this budget, as a prospectus to shareholders, would be against the law. It would be inadequate, it would be deceptive, it would certainly not be transparent and accountable and I would go so far as to say that, under our company law in Australia today, under our Corporations Law, there would be directors of that company, sitting across in that bench, who would be in gaol today with the statements they have made in the provision of information or misinformation, or

concealment of information, to the people of South Australia in explaining to them how they have spent their money and how they are going to spend their money.

The government just continues to be unaccountable and recklessly irresponsible with other people's money. If it was their money, it is fine; but we are talking \$15 billion budgets now. It is a lot of money. It is other people's money and the government has an obligation to spend it wisely and not like reckless ratbags, as demonstrated by this budget.

Mr HAMILTON-SMITH (Waite) (15:57): I want to look back over the last 10 years of this government for signs of life in my address to the Appropriation Bill. Others have gone over the budget detail. Others have talked about debt, wasted years and lost opportunities, but I really want to question this government's policy credentials over its journey to date because there has been—and it may not be lost on some in the media—a remarkable turnaround in this government's direction in recent years.

Can I say that, from the outset of this government in 2002, I was depressed at the complete lack of policy substance coming from a newly elected government. It collapsed into government, I think, not really expecting to win and without a clear agenda. They had spent their entire eight years in opposition ripping down the ideas of others as the then Liberal government tried to fix the chaos of the State Bank and put this state back on its feet.

If there is one defining achievement of the Brown and Olsen governments, it is that they dealt with the state debt and they put this state back into a bankable position. They set it up to regain its AAA rating. They set it up to again have dignity and pride in itself, after Labor delivered absolute ruin. If you ask for a legacy from the Brown and Olsen governments, that is it—they put this state back on its feet. In all that period, that eight years from 1993 through until 2002, there was nothing of substance from this government. It was a policy-free zone.

They came into government under the then member for Ramsay and it was all about bread and circuses. We had glossy report after glossy report. We formed an Economic Development Board. We put leading business people in there. We started to talk about infrastructure plans and we got everyone talking amongst themselves.

Of course, it was a hung parliament with a speaker who, some may say, delivered similar stability and cogency to the current federal speaker. It was a shambles. The only guiding central principle of that first four-year term of Labor was to win a second term, and they did. Nothing of consequence was achieved. Nothing of substance was achieved. The people of South Australia, frankly, were conned. Thanks to a vibrant federal government under the Howard prime ministership, it was a world of plenty in terms of tax revenues.

To give the former treasurer some credit, I think his first two budgets were reasonable, in that he did not let go of the belt as quickly as he swallowed the cash, but budgets three and four clearly demonstrated that he had caved in, because the spending started. Then this government tripped over the line into its second term and, again, there was little policy substance. One of the first decisions made was that we would build a tram from Victoria Square to North Terrace; something that had not appeared at all in its infrastructure plan or in any of its EDB utterances.

Mysteriously, shortly after that, there was then this announcement that we would build a new Royal Adelaide Hospital. Again, that had not been taken to the 2006 election. That had not appeared in any infrastructure plan or Economic Development Board utterance. It was absolutely plucked out of the sky. Again, there was no thread, no strategy and no design to their second term, but the money kept rolling in from the GST revenues. They were awash with cash, as the Auditor said year after year. They had burgeoning revenues, well above what was spent.

However, as quick as it came in, the then premier and the then treasurer let out their belt and fattened up. They caved in to ministers opposite. They wasted it all on bread and circuses. They bloated the public service. They let things go. However, there was no policy substance and no emerging legacy. It was quite apparent that premier Rann would resign, retire or leave the place without being able to point to a single thing that he could say was his legacy, unlike premiers Brown and Olsen. Until they go to their grave, they will be able to say that they put this state back on its feet after the State Bank, put the books back in balance and gave this state back its dignity.

I took over as leader of the opposition in early 2007, and I remember my first address here in which I made many of these points: that this government lacked substance and policy, and we had this rhetoric. The only policy agenda you would ever get from them was, 'We are about police, health and education. Law and order, education and health; that's all we are about. We are not

interested in grand plans. We are not interested in any other agenda. It's all about health, education and law and order.' Of course, we had all the spectacular nonsense: we hired 'Eliot Ness', who quickly worked out who the bad guys were, and we had the Nemer nonsense, the spectacular dramatics over law and order, whipping up a lynch mob mentality. There was nothing of substance. Again, no agenda was being set.

What premier Rann did not understand—and I do not think the treasurer then did either—is that you are here to do things and every day you waste is a day you will never get back. That first two terms of Labor government achieved absolutely nothing. It was my view then as leader that we had to change the game. We had to get the game onto ground of our choosing. We had to set a new pathway and a new agenda and we had to get the government out of its comfort zone, and this rambling that it is about health, education and law and order, with all the dramatics. Of course, they were not actually doing anything on those three issues, but they were talking the rhetoric.

At the Press Club in February 2008 I talked about a Liberal vision and a master plan for Adelaide. What I am about to point out to the house is very important, because there was at least one other member in the house who read the document: the current Premier. He read it, because his agenda is now the agenda I set out in that address to the Press Club. I do not even know whether he was there—

An honourable member interjecting:

Mr HAMILTON-SMITH: A bread roll, with a glass of wine having his lunch. If he was not, he was certainly listening because it is very clear what happened within the Labor Party caucus after February 2008—a rift opened up. I know that a rift opened up because a couple of members opposite came to tell me all about it as it was occurring.

I want just to repeat to members what was said in that address to the Press Club. We talked about a need to revitalise the City of Adelaide. We talked about a need to have a new approach in the CBD. We questioned why there were height limits on buildings; why we could not get development happening. We talked about planning powers and the state government playing a greater role and taking planning responsibilities away from local government. We talked about the character of the CBD—preserving its heritage while enabling growth. We talked about needing to look to the river and that the river and the city's interface with the river was now its heart—no longer Victoria Square.

We talked about the need for a City West development. We talked about things like extending the Convention Centre and bringing up the Entertainment Centre from Port Adelaide to the city—perhaps building a new Aboriginal or science museum in that precinct; creating new living spaces that people could enjoy—cafes, restaurants, new hotels and possibly even moving the Casino. We gave lots of examples of what could be done in that place, and we made the point that it was the wrong place for a hospital. The best place for a hospital was where it was. It was a good idea doing something down there; Labor just chose the wrong thing to put there.

Of course, that master plan for Adelaide went on and talked about a whole host of developments that would be possible down there and, of course, then mooted how we might revitalise the city by attracting major events. What did I say in February 2008? I said, 'You know what? We should try to attract the Commonwealth Games to Adelaide. We're the only state that has never hosted it. Why don't we pitch for the 2018 or, in fact, the 2022 games?' which I thought was more viable.

Of course, all this was totally scotched by members opposite. It was terrible. So when I read the *Sunday Mail* the day before yesterday I had a little chortle. Suddenly, the current Premier thinks that attracting the Commonwealth Games is a really good idea and he wants to have some ownership of it. Well, I look forward to him buying me a beer because he and all his colleagues at the time said that it was a terrible, terrible idea. In fact, I think that at a business lunch the former treasurer called it a B-grade event and belted into it. It was going to cost \$2 billion to build the infrastructure. What a shocker of an idea!

Also mooted in that paper was a really interesting idea: why don't we revitalise the city by bringing footy into the city? Why don't we build a city stadium? Both in that paper and in the subsequent policy paper, which I launched at a later time in early 2009, I said this:

Our vision for Riverside West involves a cultural and entertainment precinct that would transform the city. This must include a world-class stadium either by renewing Adelaide Oval or, if this proves untenable, by creating a new purpose built facility. Both of these options will deliver a world-class stadium beside a new and exciting city pulse. Every other mainland state has created such a place. Why can't we?

Does any of that sound familiar? The master plan for Adelaide went further. It talked about a whole host of things that I find are suddenly turning up in Labor Party's agenda—a future for the Parklands. I talked about a whole new approach to the Parklands. Why could it not be like Central Park? Why was so much of it a wasteland? Why could we not get the water in there? Should the state government not have a greater planning power in regard to the Parklands? I even offered the then treasurer legislation to enable his grandstand at Victoria Park to go ahead to call his bluff on Ms Lomax-Smith. Did he take it? No, he did not. He could have had it on a platter but they ran away and hid.

Of course, the master plan talked about ring-roads around Adelaide that are still needed—an inner ring-road and an outer ring-road. It talked about renewing the north-south corridor. It talked about getting the Southern Expressway completed—an expressway that could not be completed in full at the time because of the financial ruin Labor had delivered. It talked about the need to fix road maintenance, to improve our bus services, to electrify and upgrade our trains, and a host of other things to do with planning—all sorts of issues. What was Labor's reaction to that?

I am looking at a press release from 7 February 2008, when the now Minister for Transport and Infrastructure, who thinks all of these ideas are fantastic, said about Hamilton-Smith's vision: 'There's been a lot of talk beforehand, but this isn't so much a vision as a squint.' A squint! He was against the lot. A sporting stadium—'What a silly idea that is.' Electrify the train system—'Don't be mad.' Extend the Convention Centre—'We can't afford it.' Move the Entertainment Centre—'You must be off your head.' Revitalise the city, the Parklands—'God oh blimey, the Libs have just lost the plot. They've sailed off into fantasyland.' The only thing is that he now owns fantasyland. It is his now.

So we now know what was going on in the Labor Party in 2007 and 2008. I have a question here from 26 February 2008 from myself to the then treasurer who, in response, scotches the stadium idea. Of course, on 26 February, it was just terrible, it was a rotten idea. The *Hansard* then tells us that the treasurer and the premier a few months later could not wait to race down to AAMI Stadium with a cheque for \$150 million, offering them a future at West Lakes. That is what they did: they went down there with \$150 million. They were so keen to scotch these ideas that they flew down there with a cheque.

What else happened a few months later? All of a sudden there was this amazing announcement on 5 June 2008 (just three months after I had spoken to the Press Club) that a new 2,500 person entertainment venue would be built as part of a \$50 million state government plan to revamp the Entertainment Centre where it was. Mr Foley was so keen to lock the Entertainment Centre down there so that our ideas did not develop momentum that he flew down there with \$50 million. I know for a fact, because I had talked to board members, that a few months prior they had been told that that was totally and absolutely out of the question. The Convention Centre board was told the same thing: all of these ideas were off the table, out of the question; no, they would never, ever happen.

It was the Liberals that set the agenda and it was Labor that was scurrying to catch up. Guess what? All of the ideas that we set out in 2007, 2008 and 2009 are now Labor's ideas. I just say to the people of South Australia as they look at this budget: if you want a government with some ideas, you may as well have the one that came up with them, not the one that is copying them.

It is quite obvious what was going on in the Labor caucus. The current Premier was running around with his colleagues saying, 'You know what?—the Libs are onto something here, and Mike Rann and Kevin Foley have to go.' Mike Rann and Kevin Foley were running around trying to lock everything down, throw money at West Lakes, throw money at the Entertainment Centre, at the Convention Centre, put out all these bushfires, and the good old member for Cheltenham was running around saying, 'You know what?—we'll get beaten at the next election if we're not careful.' He was just undermining away, and what happened just before the election? It all gave way and we suddenly had the announcement that football would come into the city—'We're going to do it at Adelaide Oval.'

I give the former treasurer full credit for that, because I reckon he would have had to do a bit of headbanging in his own caucus to get that through. I also give credit to the Minister for Transport and Infrastructure because, once he realised, as I think he probably always did, that what we had been saying made sense, he actually convinced his colleagues to deliver.

We would not have football in the city if it were not for the state Liberals. We would not have an extended Convention Centre if it were not for the state Liberals. The \$50 million at the Entertainment Centre would not have been spent were it not for us, and this government would not have produced a 30-year plan for Adelaide had we not been pushing for exactly the same thing. You were dragged kicking and screaming into the future and you had to address some of the issues you had not talked about in your first seven years of government.

You can all wander around and pretend it was not so, but where were all these plans in the infrastructure plan you produced? Where were they? Try to find them; not one. They were not there. You produced an infrastructure plan; you did not mention any of these things. Where were they in the Economic Development Board's glossy brochures? Nowhere to be seen. We set the agenda; you followed. The entire agenda now has been designed by us and you have got with the plan because you had to, because these were ideas whose time had come.

The sad thing is, I look for where we are heading now, and as I look at this budget I see we have a budget now which is doing these things suggested by the state Liberals that they had not really thought of. They were not going to upgrade the Southern Expressway; they were not going to do that. They were not going to do any of the things I mentioned a moment ago. They have been made to do it, and of course they are in their third term. The trouble is, they wasted all the money. They wasted all the money on bread and circuses and good times, on extra public servants, giving people an expectation of work and finding later that they could not afford it. They were wasting all the money.

Is our education system any better? Is our health system any better? We hear a lot from the government about how much they are spending but not so much about what they are delivering. I look at this budget very strategically; I am looking for a strategy. I am looking for something that goes beyond the next election, and what I see is a budget that delivers Liberal ideas, not thought of first by them, but suggested to them by us, which they have poached to get them over the line at the next election. I see nothing beyond but a policy desert.

What this parliament has to do is to start to address some issues of substance. We have problems in our economic structures in this state. We have problems with skills development. We have policy challenges from left to right, and yet this government and, to a degree this parliament, is not addressing those real issues of policy substance. We need to; our children and our grandchildren deserve better.

The Hon. R.B. SUCH (Fisher) (16:17): The budget before us is, as always, a mixed bag. There are a lot of good things in it and there are some things which are not quite so good. In relation to debt, a lot of people have a fixation about debt. I think the point is that debt in itself is not necessarily bad; it is what the money is used for. Is it being used for productive investment, for wealth creation, or is it being used on flim-flam and current spending which will not generate wealth?

The first point is that I think people should not be obsessed with debt. You do not want it to get too high in relation to gross state product because you would lose your options for doing things down the track. Given that over time, under both governments, a lot of government assets have been sold off, you do not have a lot of room to move if you create a large debt.

The government says it expects the debt to peak at \$8.8 billion in 2015-16, or just prior to that, but I think the lessons of Europe are fairly clear. We have seen what has happened in Greece, Italy and Spain, which have basically been living beyond their means. You can only sustain a high standard of living if you generate wealth in an ongoing way to ensure that happens.

There are lessons to be learned from Germany and places like that, where 10 or so years ago the unions and business got together and said, 'Look, we need to work together to ensure the future of this country.' As a result of that, as a result of cooperation between unions and business, you will find that the German economy is doing quite well. Even though many of their companies produce what are relatively expensive products, they are bought around the world because people know that they are quality. For example, I think it is unfortunate that we lost Mitsubishi here because I believe that if that production facility had switched to producing vehicles that people wanted to buy—more economical, smaller vehicles and so on—then I think that it could have continued on.

Having recently been in France where they are extremely patriotic—but not only that they follow through in terms of what they buy—in their supermarkets and elsewhere (it is not in English of course, it is in French) it says, 'Be responsible, buy French'. You do not see many foreign cars in

France, with a population of 62 million people, you will rarely see a car from anywhere else. Across the channel into the UK and they have every car under the sun except for the ones they make themselves which are a fairly small percentage of the total.

The point is that you need to be continually focused on quality, innovation, and business, unions and employees working together to ensure that you produce products which are obviously in demand, but have a quality element to them. That is what I think South Australia should be focused on. We should be a place focused on quality of life, not quantity of life, not having a bigger population for the sake of it but having the best educated population, the lowest crime rate, the best hospital system and so on.

That is what we should be aiming to do, not simply just to have more people. What is the point of that? What does that prove? What does it achieve? You look at the countries in the world which have a very high standard of living, and they tend to be the countries that focus on quality. You look at, say, Finland, which is regarded as having one of the best education systems in the world, and their teachers are required to be trained to the level of a masters degree; and their teachers are highly respected, highly paid and that is what we should be aiming to do in South Australia.

In this budget there are a lot of initiatives, but not many that I can see which will help push us and encourage us towards a state which is focused on the quality of life rather than the quantity of life. Just having a look at a few things in the speech by the Treasurer in the budget paper, where he indicates that health spending accounts for 31 per cent of the state budget. That is a necessity because of the way we are living. You cannot blame people who are sick, and who, through old age and whatever become ill, but we need to do a lot more about what some people call preventative health which is a bit of an unusual term, but a greater focus on improving the health of people earlier on.

The government, to its credit, is trying to do that through encouraging people not to smoke. In that respect, we are well ahead of some countries including France where a lot of people still smoke, but we are sitting on a time bomb in terms of health issues if we do not tackle early enough and vigorously enough the question of a healthy lifestyle for our people, and we have no excuses for not eating wholesome fruit and vegetables and so on.

We are amongst the most blessed of all nations in the world, but I was up in the Riverland in the last week and I think it is a tragedy that we are now seeing horticulturists removing a lot of their productive capacity, and bulldozing healthy Valencia orange trees. I have seen pistachio orchards ripped out and we know that a lot of that stemmed from the shortage of water, but now we cannot even produce things like dried fruit in any quantity.

It was not the reason for going up there, but I was asked by my sister who likes to cook, 'Can I get some South Australian dried fruit?' and it was not an easy task. I eventually found some currants and some locally produced sultanas. Dried apricots were pretty scarce as well and, yet, we have fantastic resources here in this country and in this state and we are our own worst enemies. We import about half of our fish products. We need to do better in terms of not just having a vision for the future but actually delivering on some of these things. In relation to health, I think the government's program is a good one. There are some initiatives they could improve.

I always argue that, instead of creating a big Royal Adelaide Hospital on North Terrace, it would have been better to have a smaller, central hospital with a couple of specialties, including accident and emergency, and build up the metropolitan hospitals, Lyell McEwin, Flinders, and so on. Anyway, the government chose not to go down that path. I think we are going to have a fantastic facility but it will be at a fantastic price.

Other positive things in the budget include the electrification of the rail system. That has been delayed in part, but the overall project is fantastic, and I have commended the government in the past, and I commend them again. We need to have a modern public transport system in Adelaide and in this state. The commitment to upgrade the rail system by electrification and expansion of the tramline is good. I accept the reasons for suspending some of it, but I trust the government will remain committed to the overall objective.

Whilst I was in France, I noticed that in terms of many of the city's tram networks there are no overhead wires in the core of the city. They have a jockey wheel under the tram, or some sort of wheel, so they do not have the intrusion of overhead wires. In establishing that system here, or extending the tram system, I am not sure why it was not pursued in King William Street and

elsewhere. The technology is there to enable building a modern tram system without overhead wires in the core part of the city.

There is quite a lot of money in this budget for expanding and extending the prisons and also the juvenile detention centre at Cavan, and that comes back to the point I alluded to earlier. The government needs to put more effort into keeping people out of prison, but not those who have committed serious crime because at that stage it is too late. However, not enough effort is put into trying to steer people away from getting involved in not only antisocial behaviour but criminal behaviour. Intervention at the right time can help ensure that we have fewer people going to prison, fewer juveniles being detained.

Many members will have seen the police and courts in operation. The police will tell you that a lot of their work comes from people who drink too much or get involved in drugs, and we need to put more effort into dealing with some of those issues. There needs to be a stronger focus in schools on what I would call core values, which might seem a little bit old-fashioned, but they include basic things like respect for others. People say that schools are trying to do that, but I think it needs to be more explicit and pursued in a more rigorous and vigorous way in all our schools, not just the state school system but all our schools.

People say that this is not the job of the school, but the reality is that, sadly, it often does fall upon the school because too many families are dysfunctional and children are brought up to be involved and become involved in antisocial or criminal behaviour. I do not believe criminals are born: I believe they are created by the system, and in one way or the other that results in them going down that pathway.

Through the school system, and support through counsellors, psychologists, mental health programs, I urge the government to target young people who are going off the rails. The police will tell you that a lot of the clients (that is using a polite term) they deal with suffer from a mental illness or some psychological issue. One only needs to look at the statistics for those in Yatala to find that many of them suffer well-known psychological conditions.

Many times the people being admitted into prison cannot read or write. In a society like ours, as affluent as it is, to have people in their late teens who cannot read or write and do basic maths is an indictment on our society. We will continue to have more and more people being incarcerated because many of them not only do not have a regard for the positive values they should but also do not have the skills to ensure that they can have a meaningful and productive life.

If you intervene early in the school environment and in the home environment, you can often steer some of these characters away from doing things they should not do. We see in this budget millions of dollars being spent on incarceration. I would like to see an equal amount spent on early intervention and channelling people away from crime.

That is what will put you on the map around the world: if you have the best education system or the best health system, you can call yourself whatever you like—people around the world will know about you. You do not have to rebrand yourself: what you have to do is be good at doing things and the rest of the world will come and knock on your door. I think the approach should not be rebranding; it should be focusing on being excellent at what we do and ensuring that people have a genuinely well-founded quality of life.

In regard to the oval, I would have to say from feedback from people in my community, they did not want to see that money spent on Adelaide Oval. It is happening, so it is a fait accompli now. I did not see it as a top priority. I think it is a good thing—I love Aussie Rules football—but I did not see it as a top priority. In regard to the Riverbank development, I am not sure that we need to look like Melbourne or Brisbane. Why not just be ourselves? I do not think it is necessarily a bad thing that we may have a bit more lawn than they have on the bank of the river.

In regard to the footbridge costing, I think, \$40-odd million, I understand it is going to be designed by people from overseas. I would be amazed if there is not a student at Adelaide University doing engineering or architecture who could not design a fantastic-looking and safe, strong pedestrian bridge for the Torrens. Once again, the cringe mentality wins out and we have to go and get someone from overseas to design a pedestrian bridge. I hope that is not the case, but that is what I have heard.

I think the continuation of the first homebuyer scheme is a good thing, and the stamp duty reduction for people purchasing in the city council area is worthwhile. The multistorey car park at the Adelaide Entertainment Centre makes quite a bit of sense, given that it is integrated with the

park-and-ride, and I think that is a very good initiative. I mentioned the rail upgrade. We are going to be paying significantly for our water supply, but I regard it as a form of insurance. You cannot survive without water and the reality is that the desal plant will provide security, so that we can guarantee that we will have water.

In regard to the road projects, whilst the duplication of the Southern Expressway does not have a big benefit for my electorate, I think it is something that needs to happen. Not all upgrades for roads need to be expensive. Even simple things like using some of the European-style cat's eyes at intersections like Gepps Cross and Flagstaff Road can help improve safety and guide people in using the road.

The big projects all make sense to me, but I think there are a lot of other improvements that can be undertaken, including better and improved signage. I have mentioned before in here that New South Wales, where I was last week, makes it quite clear to people that you are leaving an arterial road and going into a 50 km/h default zone. They also give people who are approaching a country town ample warning that there is a 60-k sign ahead. They will have a sign saying '60 k ahead' or '40 k ahead', and I believe the Minister for Road Safety is going to do it here.

In fact, in Victoria, across the border between Renmark and Mildura, there are five sets of 80 km/h signs on each side of the highway. If you are driving on that road, which is one of the few in Victoria that is 110 km/h, and you do not see one of those five sets of dual signs on each side of the road telling you that it is 80 km/h, I do not know which planet you are on.

I am all for punishing people who put their lives and the lives of other people at risk, but in South Australia, we have a long way to go in making people aware of the changes in speed limits, and even information about roads ahead. If you were from overseas or interstate, I do not know how you would get on trying to find your way around if you did not have one of the electronic navigating devices.

I will not be able to go through all of the programs in the budget. One of things I would make a plea for, in relation to the hospital upgrades—I do not want to transgress because I have a motion on it, but I hope the government can find the money to get the next model of the Da Vinci robot for the Royal Adelaide Hospital. It has been a fantastic investment.

I know it costs a lot of money, and I know the company does well out of it and has an artificially restrictive usage on the replacement arms, which experts tell me would last three times as long as the company will allow them to be used, so that the government has to buy new robotic arms every 10 operations, I think it is, when they would easily last for 30 operations. I see in here, under 'Health', there is money for improved mammogram screening, which I think is very important. Women have told me that some of the technology for this at the moment is a little bit stressful and painful, but the modern technology will give a better resolution, and will do it in greater comfort.

All in all, there is a lot of good things in the budget. As I said, I would like to see a focus on some of the underlying issues, like improving the quality of life by early intervention, and focusing on what, as I have indicated, is really quality of life rather than quantity of life. Overall, I think the budget, in these circumstances, is a fair and reasonable one, and we need to avoid going down the path of some of the European countries, which have got into a situation where they live beyond their means. I think bringing back the debt is sensible so that we do not get into a situation where our options are constrained.

Dr McFETRIDGE (Morphett) (16:37): This is my 10th budget in this place. I am just a humble veterinarian, not an economist or a lawyer; by that, I am boasting, not apologising. I described my first budget papers as the height of prestidigitation—the sleight of hand. Again, we see the budget papers presented in a unique way. Every one of these 10 sets of papers I have looked at has been presented in a completely different and convoluted way so that you have to be an expert in economics to be able to work out what programs have moved where, and you need to have resources and time to go through every page of every budget paper so that you can understand what the government is doing with the taxpayers' money—and it is the taxpayers' money.

Can I just say that I wish this government would do what governments interstate have done for many years now: that is, when they put out their budget papers, they also put out another document that tells you how to interpret the budget papers. So, I am not the only person who has a problem with looking at the complete myriad ways in which the budget papers are presented; there are other people out there who are just mere mortals and not economists. I think there is some sort

of devious plan to present the most rosy-coloured picture you possibly can of what, as we will see as I go through the budget papers, is not a very pretty picture.

The fact that you have to balance your budget all the time is something that nobody would disagree with. I think the need to have a surplus is a worthwhile aim, and there is certainly such a thing as good debt. But, we have seen this government, and I think it was minister O'Brien—

Mr Marshall: Minister for forestry.

Dr McFETRIDGE: —the minister for forestry and fisheries at the time, who said that this government was actually borrowing to pay its recurrent expenditure, borrowing to pay wages. When you get into that parlous state, you really need to sit back and think, 'What have we done? Where are we going?'

I have run a small business. I used to borrow, I used to have an overdraft, I had large mortgages in that business, but at all times my cash flow was able not just to pay my wages but also help reduce and manage that debt so that I could build the business, build my practice and employ more people, and that makes common sense.

We have heard the Treasurer in the past say that these are family budgets, and we have seen him trotting out there with nice glossy family-friendly photographs as a man of the people not just trying to thump the crap out of somebody with his boxing gloves on. We try to get the impression from those glossy pictures that the Treasurer understands how budgets have to be balanced.

What do we see, though, in the state budget here? We see ever-increasing debt. We have gone from what was—and we have heard this term before—rivers of gold for many years. When I first came into this place, I was in government for two hours and 55 minutes. I sat on that side for two hours and 55 minutes and, because of the skulduggery that was going on at the time, we forced the vote on the floor of the house and that was it, end of story, we were in opposition. I just think about what could have been had we been in government and of the opportunities that were there because of the money that was coming into the state through the GST.

People ask me, 'Do you enjoy the job of being a member of parliament?' I tell them that I love this job but that it is one of the most frustrating jobs I have ever done because I am in opposition and see wasted opportunities and a government raising expectations and failing to deliver. That is what we have seen, and it is a shame because, if the government were to be true to themselves as well as true to the people of South Australia, they would say that there are missed opportunities.

Just look at what the Auditor-General has said to this government year after year after year, that is, 'You are spending more than you should be, you have to watch your spending, just rein in your spending because you just cannot continue to budget this way.' In 2005, he said:

Given the forecast expectation that such revenue growth may not be sustained, control of expenses will be important.

In 2007, he said:

...the State may have developed a culture of expecting growing revenues to continue to support increasing expenses.

But what happened there? The budget was overspent by \$304 million in 2007-08, it was overspent by \$670 million in 2008-09, and in 2008 the Auditor-General again—the trifecta, the third warning—said:

...the State has received large amounts of unbudgeted revenues that enabled net operating surpluses...

The warnings were there. They were very, very clear. Having run small businesses, I know that you cannot keep spending more than your income.

What more secure income do you have than from taxpayers? Death and taxes are the two inevitabilities in life. People are paying their taxes. In South Australia, they do pay their taxes. Unlike in Greece and Italy, where tax evasion is the national sport, in South Australia we have people who are paying more and more tax than they ever have in their life. Why? Because this government has not managed the opportunities it has had presented to it. All it has been about is staying in power, and to see the state as it is now just about brings you to tears.

As I say, I am not an economist, but on all three budgetary measures this state is in deep peril. The net lending deficit of \$1,901 million, so \$1.9 billion in 2012-13, is there; the cash deficit of

\$1.952 million is there; and the net operating deficit of \$867 million is there. So, all three measures—the net lending, the cash basis and the net operating basis—every one of those is in deficit.

How can you stand up as the Treasurer in this place, member for Playford, and be proud of what you have achieved, what you have inherited and where you are trying to take this state? It is just a situation that you cannot be truly proud of. South Australians are paying more tax than ever before. Okay, inflation goes up and CPI goes up, so cost of living goes up and incomes go up. You would expect taxes to rise, but not at the rate they have in South Australia. Under 10 years of this Labor government, tax revenue has increased by 85 per cent. For that to happen is beyond the pale.

As the Leader of the Opposition said, no wonder we hear stories of people packing up their goods and chattels and moving interstate. A fellow who lived down the road from me at Somerton Park came to see me and he said, 'Duncan, we are selling the houses and businesses we have in the Northern Territory. We are reorganising the business, but I can tell you we're not coming back to South Australia with those houses and businesses because it just costs too much. We are going to Victoria with them.' I thought that was an absolute tragedy, because this guy was a proud South Australian, as am I. The fact that he just could not make his businesses pay by bringing money back from the Northern Territory into South Australia is really quite sad.

I do not know how the heads of departments and the chief executive officers are going to be able to manage the savings measures that are being imposed on the various government departments by this government to try to prop up the budget. In my portfolios of police, corrections, emergency services, volunteers, road safety and Aboriginal affairs, these people have been doing their darnedest to make sure the budgets balance and that every cent has been used for the best advantage of the taxpayers.

In particular, the police now seem to have to spend more time looking for ways to make savings than they do looking for criminals. That is not something that can continue. There is a point at which you just cannot squeeze any more blood out of the stone. The Commissioner of Police, Mal Hyde, has done a fantastic job for 15 years now and is leaving us shortly. On 6 June on FIVEaa he said:

It's going to be hard to find ways in which to preserve the operational side of the organisation. I can't forecast what might happen. All I can say is that it will be hard.

This is what he said when he was asked about the budget savings that are being imposed upon him. In the same portfolio of police, the head of the Police Association of South Australia, Mr Mark Carroll, was interviewed on FIVEaa about the cuts to the police budget. He said:

Yes, it's over \$110 million now over the next four financial years...which makes it very difficult I think for police to actually return that efficiency dividend when we're already so stretched...There's been a whole range of savings initiatives...SAPOL have reduced their motorcycle fleet...full cost recovery for police over dimensional escort fees...there's been a delay in recruiting against temporary vacancies of up to 12 months...they don't replace temporary vacancies for up to 12 months...we've been quite public in our commentary in relation to the broken election commitment of 2010 to recruit 313 police above attrition over the parliamentary term.

Mr Carroll goes on:

There is no doubt in my mind that it will affect frontline services. I think anybody who believes it won't have got rocks in their head.

I repeat that:

There is no doubt in my mind that it will affect frontline services. I think anybody who believes it won't have got rocks in their head.

Mr Carroll apparently has written to the police minister to ask what services will be cut. I look forward to seeing the police minister's answer on the government's imposition of these cuts to the police budget, because there is no doubt that it will have an impact on frontline services. Mr Carroll finished off this radio interview on 5 June, a matter of days ago, by saying:

Well senior police have told me that as far as the efficiency dividends go they've done everything they can under the sun and the only way they can achieve this will be through labour reductions.

In other words, frontline service delivery and general service delivery to the people of South Australia. If you go to Budget Paper 6 and you look at the savings measures that are being required, you will see that in 2013-14 it is about \$4.5 million from the South Australia Police and in 2014-15 it is \$9.1 million, but then in 2015-16 it leaps up to just over \$14 million. So, over the next

three budgets a total of \$27.7 million is being cut from police. Now, how can you do that without affecting frontline services? I believe Mr Carroll and I believe the commissioner that it will affect frontline services, so the minister really needs to ask herself how she is going to explain this to South Australians and to the victims of crime that we hear about everyday.

We hear about the statistics. We saw the minister today get up in this place and read out some statistics. There is a very good quote from the Minister for Police on 7 June this year:

If you look at the broad context you've got to be very careful of the data. The statistics can't always tell the complete picture.

And that is what Commissioner Hyde said. Looking at the statistics, you cannot just say, 'We've got more police. We've done this, we've done that. It is more than when Robert Brokenshire was the minister 10 years ago.' Minister, you and your government have been here for more than 10 years now, and look what you have done. You might have achieved some things in some areas, but the pain that is being imposed on South Australians is just horrific.

If you look at corrections there is a savings over the next three budgets of \$9.2 million. I do not know how Mr Peter Severin, the head of corrections, is going to be able to achieve those sorts of savings. Peter Severin is a fantastic bloke. I was listening to him on the radio this morning talk about the very difficult case of the woman with severe psychological problems and how he is managing that. You see that the guy has integrity. He wants to do the right job, but being put in a position of having to find these savings, well, I do not envy him at all.

Sure, money is being put into the infirmary at Yatala and money is being put into the expansion of the Port Augusta Prison, but, as the member for Fisher said, I think that we should be keeping people out of prison. It costs \$194 a day, I think, to keep a prisoner incarcerated in South Australia, which is a significant amount of money. When you add in the particular difficulties that up to 50 per cent of our prisoners have got with mental health problems and the medication they need there is a significant on-cost to the health portfolio as well.

I have the emergency services portfolio, and it is one of those portfolios where it is either police or emergency services leading the news bulletins most nights. Our emergency service workers do a fantastic job. I have known Mr Grant Lupton, the Chief Officer of the Metropolitan Fire Service, for a number of years. He does an exceptionally good job. He is a highly professional Chief Officer and a very qualified firefighter, but over the next three years Mr Lupton is going to have to find over \$4.5 million in savings—about \$750,000 next year, \$1.5 million in 2014-15 and \$2.3 million in 2015-16.

The need to make sure that we have our emergency services as well equipped and prepared as possible is something that we need to be very careful about. Being put in a situation where the money is not there for training, for support and for equipment is something that we just cannot tolerate. The thousands and thousands of volunteers in the CFS are out there providing millions and millions of dollars worth of in-kind support to this government. I am a member of the CFS, so there is no conflict of interest here at all because I am very interested in what happens to the CFS.

I know the guys I work with and, once the job is on, once the pager goes, you are in just exactly the same frame of mind and attitude as a paid firefighter. You are doing a fully professional job to the best of your ability, and so you do need to have the best equipment and the best ability to be able to train and to be resourced that you can, yet we are seeing, again, hundreds of thousands of dollars in this case being pulled out of the CFS budget. You cannot do that. You cannot keep cutting these budgets because you have made a stuff-up somewhere else in your budgeting process. It is just not fair on the volunteers. It is not fair on the South Australian taxpayers.

The SES has really copped it. It has actually had a budgetary cut this year. If you were to keep up with inflation, instead of having a \$196,000 cut it should have had about a \$300,000 increase in its budget. I understand that the SES volunteer association is so concerned that there will be a number of units disbanded, they will fold. There will be volunteers who just will not continue on because they are sick to death of the battle to try to get the resources and to get the training. It will really hit the fan in South Australia when we get a big bushfire, a flood or an earthquake and the SES is not there because this government has just squeezed and squeezed them. We cannot keep taking our volunteers for granted.

In my other portfolio areas of Aboriginal affairs, road safety and volunteers, there are so many other issues, and we will talk about those. I am certainly looking forward to estimates,

because the need to make sure that we have answers on the record for not only volunteers but all South Australian taxpayers is imperative.

Road safety is an interesting area to look at. We are told that all the money from fees, fines and expiation notices goes into road safety, and I have no reason to disbelieve that. If that is the case, the \$295,000 that is in the budget this year seems an extraordinarily low amount of income considering the total fees and fines being levied in South Australia.

The good people of Coober Pedy have written to me and the Leader of the Opposition just recently about a police campaign up there involving some fairly unusual stops and checks. I just hope that the fees, fines and penalties that were being imposed in that case were not influenced by this government in any way, because we get the message all the time from this government that the police and their operational procedures are completely independent.

What we are seeing with this budget is cost pressures all the time that should not be there, that should never have been forced upon the taxpayers of South Australia. We should not have the double whammy of paying more and more taxes—an 85 per cent increase in taxes in the last 10 years—and now a greater burden with increased fees, fines and levies by this government. I think over 300 pages of fees, fines and levies were gazetted just recently, most of them above the CPI. The CPI, according to the budget, is 2½ per cent, but most of these increases are about 3 to 3½ per cent. So, above CPI increases are not good enough. The government really should be shaking its head and saying, 'What have we done here?' The people of South Australia are at last starting to say, 'What the heck is going on? Where are we going?' Well, in 2014, it will all come home to roost.

Mr GARDNER (Morialta) (16:57): On 31 May the Treasurer handed down Labor's 11th state budget. It delivers record levels of debt and deficit, even surpassing the State Bank disaster levels of the early 1990s. We are looking at a deficit of \$867 million in the coming year, the largest in South Australia's history. The debt of \$8.4 billion, set to rise to \$13 billion in the 2015-16 year, will no doubt be left to future generations—the young people of today and their children—to pay off.

We are looking at the loss of the AAA credit rating, meaning that the interest on future government borrowings will cost more. Work done by the *Financial Review* suggests that that is going to be at a cost of \$22 million a year extra in interest for South Australia and South Australia's long-suffering taxpayers. The interest bill is set to rise to \$2.3 million a day, and growing. This, of course, does not include the \$1.1 million a day for 30 years that we are going to be paying to deliver the infrastructure surrounding the new Royal Adelaide Hospital and does not include a doctor or a nurse or the treatment of a patient.

We have had the suspension or deferral of projects, including the Gawler and Outer Harbor line electrification, the QEH redevelopment and the Modbury Hospital inpatient unit, and we still, of course, see no upgrade in the eastern and north-eastern suburbs for the Paradise Interchange, which we hope to get at some stage.

The cost of all this is borne by all South Australians. The flow-on effects are borne by all South Australians through the increased cost of living and by South Australian businesses through the increased cost of doing business in South Australia. The flow-on effects and the ripples are continuous and immense. We know that the Australian dollar has had some effect on the cost of living across Australia, but this is compounded in an incredible way in South Australia.

I note that just today the Mercer group of human resource consultants released its survey on the cost of living in major cities around the world. All Australian cities, it is fair to say, have gone up in this survey as a result of our dollar, but none has gone up anywhere close to the way that Adelaide has. We have seen Brisbane move seven places up the leader board to 24th and Canberra move 11 places up the leader board to 23rd.

Adelaide has gone up 19 places—an extraordinary figure—to become the 27th most expensive city in the world in which to live: it is the first time Adelaide has ever been in the top 30. We have always been Australia's cheapest mainland capital in terms of our cost of living, but increasingly that is clearly not going to be the case.

In this survey released today by Mercer, for the first time Adelaide is now a more expensive city to live in than New York City in America, which comes in at 33rd on the list in 2012. It was 32nd last year, but it has been displaced from that spot by Adelaide, which is now the 27th most expensive city in the world in which to live. Although the figures were released today, the survey

was conducted in March 2012, so it does not include any of the cost of living increases that are included in this state budget, nor does it include the cost of living increases that are going to be caused by the introduction of Labor's carbon tax.

God knows where we are going to end up on next year's Mercer survey. We will be looking closely at this because it is fundamentally important. We want the sort of society where people can afford to pay their utilities bills, to pay for the things that they have come to expect in life from a First World developed country, and this government is making it harder for them to do so.

We know through the net migration figures that our young people, particularly those in the 20 to 34 age group, are leaving South Australia at a much greater rate than the national average, at a much greater rate than they did in the 1990s up until the election of this Labor government, because they see that the opportunities for them to pursue careers are greater interstate, because they see that the opportunities for them to raise their families will in many cases be more convenient interstate.

We know—because the demographic research and anecdotal stories from anyone in this age bracket tell us—that if we do not get those people back to Adelaide, to South Australia, if they do not see the opportunities for career and lifestyle development being better by the time they have their first kid interstate and make arrangements for that child's education, it is going to be very difficult to get them to come back and contribute to our state economy and consequently their productivity is lost.

Adelaide is the 27th most expensive capital city in the world. It is a remarkable figure. That is what we have after 10 years of Labor. What are the driving forces behind these costs of living? Many of them—most of them—are driven by increases to the cost of living by state government decisions, including those in this budget. A small example is the 20¢ per single trip increase to public transport prices, or \$1 per multitrip. Water prices have increased 25 per cent from last year. I will come back to that because there are some more significant increases based on previous years.

We have had consecutive increases to driver's licence fees. Motor registrations are up by more than CPI again. Compulsory third-party insurance standard premiums are up by 4.7 per cent. Liquor licensing is up, although we have seen some movement from the government on that today, and we will look to see the detail of that. Fines from the Environment Protection Authority are up 35 per cent in the budget, and the solid waste levy that councils have to pay the state government has increased significantly.

We know that across South Australia councils have increased their rates by about 5½ per cent. It is the easiest thing in the world for state governments to bash councils. We see it happen on a regular basis but, frankly, the carbon tax coming in is going to have an extreme effect on a number of councils, along with the solid waste levy going up, and all the other impositions, taxes and charges that councils are having to deal with as a result of this state government. It is amazing how those things can grow. The state government must do more than just look at councils and say, 'They shouldn't be putting up rates by so much,' when it is their decisions that are causing these rate rises that are affecting all South Australians.

Other increases: sewerage bills, electricity bills, gas bills, all up; the Emergency Services Levy, the NRM levy, the Save the Murray levy, all up. In his speech, the Treasurer made a great deal of how there are no new taxes but those words ring hollow when just about every single tax that you can get your hands on already is increasing at a significant rate over and above the cost of CPI.

We saw the 300 pages of fees and charges gazetted on budget day and, of course, all of this comes before the Labor federal government's carbon tax, which, we heard in question time again today, the state government—through the Minister for Transport and, on previous times and on many occasions, the Treasurer and the Premier—continually defend. They have as much responsibility for this carbon tax as Julia Gillard because they provide the political cover to do it. We do not even know how much it is going to cost the South Australian government and the South Australian taxpayer because, unlike governments in New South Wales and Victoria, our state government has refused to release their modelling, if they have even done any.

I want to spend a moment on water bills because they have more than trebled since 2002, up by 249 per cent, and they have risen by 176 per cent since the desalination plant was announced. At the time the Liberal Party proposed a 50-gigalitre desalination plant, which was costed at less than half a billion dollars when the Liberal Party and members of parliament went to Western Australia and got figures. There was a delay, and we were told by the Labor government

for more than a year that it was unnecessary and, when they did announce it, they decided to double the size of the plant to 100 gigalitres.

Then they said that that was okay because the federal government was going to come in and provide a grant to pay for it. What we have learnt now is that the \$328 million federal grant to double the size of the desalination plant was almost neutralised because, as a result of that grant, we lost \$302 million of GST revenue. So, for \$26 million from the federal government, South Australian water users have been slugged an incredible extra 176 per cent on their water bills. Every South Australian who lives in a house that uses water has had to face these incredible hikes.

This is the result of 11 budgets and 10 years of a government living beyond its means. We know that from 2002 to 2011-12, the government will have collected \$5 billion in unbudgeted revenues—\$5 billion more than they expected. What a wonderful thing it would have been if they had been able to pay off the debt completely because, when they arrived in government, state debt was under \$3 billion—in fact, \$2.7 billion in 2002-03—and they have received \$5 billion more in revenue in that time. Of course, over that time, they have spent billions and billions of dollars over budget and, every year, the Auditor-General (as other members have said) provided the warning that we could not continue to live beyond our means and beyond our budget.

What would we have been able to do in areas such as disability, housing, families and communities, and youth (which I have responsibility for and which I will talk a bit more about later) if only we had had that debt paid off? On that matter, going to the interest, which I talked about before, the \$2.3 million a day, \$700 million a year in interest payments that we are making dwarfs the size of our budget for disability and child protection. More than \$700 million a year in dead money is going to pay off interest on our debt.

The Commonwealth Grants Commission has confirmed previous reports by the IPA that South Australia is the highest taxed state in the nation. The 2012 report on Relative Fiscal Capacities of States from the Commonwealth Grants Commission identified that land tax in South Australia is 40 per cent above the national average and the worst of all states. Stamp duty is 27 per cent above the national average, the worst of all states; and insurance tax is 53 per cent above the national average, the worst of all states.

Since the Labor Party has come to power, other taxes have gone up, too. Payroll tax is up 85 per cent or 40 per cent in real terms—and I will use the real terms figures because the fact that they are so high, identifies just how incredibly grabbing this government has been. Conveyance duty up 26 per cent in real terms; land tax up from \$140 million to \$582 million, up 215 per cent in real terms; and other property taxes, up 21 per cent.

Gambling taxes have had a mild increase, up 11 per cent in real terms; insurance tax is up 38 per cent; and motor vehicle tax is up 24 per cent. This is what has led to South Australia's increased revenue, along with the GST revenue, which in 2001-02 was less than \$2.5 billion, which in 2012-13 is forecast to be over \$4.5 billion, going up to over \$5.5 billion in 2015-16.

The government has a lot more money than it used to. And what has it spent it on? We have a public service increase of 20,000 full-time staff, only 2,000 of which were budgeted for, and more than two thirds of which are not those front-line public servants such as nurses, teachers, doctors and police officers that we so often hear the government talking about.

The economic mismanagement of the Labor Party has seen interest reach \$2.3 million per day. That is money that cannot be spent on health, education, law and order, transport, infrastructure or, indeed, the portfolio areas that, since the last budget, for which I have had the honour of being given responsibility, for the Liberal Party, and they of course being families and communities, disability, housing and youth. A number of these issues I want to get back to after the estimates process, because there is a good amount of detail that the budget papers provide. There is a good amount more that we hope will become clear through the estimates process, and I look forward to having the opportunity after that stage.

However, there is one issue that I do want to talk about in the time I have left to me today, and that is disability services. The government had some reasonable input of new money into disability, and I commend them for that in this budget, as indeed the leader and the shadow treasurer have on other occasions. I heard the shadow treasurer immediately in his budget response talking about many of these figures and noted that disability spend is an important spend and the opposition has welcomed it.

It is important, because in over 10 years of government the proportion of the state's revenue that is spent on disability services, care, accommodation and support had dropped from 2.82 per cent to 2.36 per cent. The spend this year goes some way to redressing that, so it is welcomed, but it was needed. We spent 15 per cent less than the national average, according to the Productivity Commission, on disability support services. The Gonski review showed us that we spent far less per student in our public schools on disability than every other state by a long way, compared to most states.

The unmet need figure for category 1 supported accommodation had grown considerably just since the last election. The December 2009 figure had 306 people on that waiting list; it had grown to 523 in the most recent April figures. That is for supported accommodation category 1, people with immediate or urgent risk of homelessness or urgent risk of harm to themselves or others—523 people.

Also, the category 1 list (but not just for accommodation, but all types of support, including therapy services, behavioural intervention and respite) had grown from 663 to 1,109. The increased funding in this year's budget was not past time, I can assure you. We hope that it will make a dent in those waiting lists. We hope that it will give support to many of those who need it.

Part of the budget included a \$20 million announcement for support for the National Disability Insurance Scheme. This was something the opposition had been calling for. Indeed, in the federal budget on 8 May \$1 billion was put aside for the National Disability Insurance Scheme, but not much of that was for services. I identified that \$154.8 million of that \$1 billion was to employ local area coordinators, to provide an individualised approach to care and support for people with a disability, so developing the approach; \$58.6 million to assess the needs of people with a disability in the four launch locations that are going to be set up early; and \$122.6 million over four years to start preparing the disability sector for the new way of delivering services and increases in capacity.

There was \$240 million, of a total of \$243 million over four years, to build and operate an NDIS information technology system; \$53 million over four years to establish a new national disability launched transition agency; and \$342 million over three years for individually funded packages for people with significant and permanent disability. That was \$340 million for on-the-ground services.

The South Australian government, rightly, wants a piece of that package and we called on them to do what they could to negotiate with the federal government to put some money in this year's budget to ensure that we get that and they have come up with \$20 million over three years, so \$3 million in 2013-14. I quote from Budget Paper 6, which says:

The detailed operations of a launch in South Australia are subject to negotiations with the commonwealth government.

We look forward to that, but it is worth noting that this is \$20 million that we hope will be enough to get us one of those four launch sites. Those four launch sites are due to help 10,000 Australians across Australia so, if it is done evenly, for the cost of \$20 million over three years, we will get a quarter share in that \$342 million worth of services from the federal government. It will be great for South Australians with a disability, so long as the details meet the expectations that have been raised through these announcements.

The Liberal Party, at a federal and state level, has been unambiguous in its support for a national disability insurance scheme. I want to quote from a speech given by Tony Abbott on 13 April. He said:

...the national disability insurance scheme is an idea whose time has come...It has to be done responsibly but it does have to be done. The Coalition will do what we reasonably can to make [it] happen [as soon as possible] and would accept a government invitation to be jointly responsible for this vital national project.

It is important that that is understood. Even as recently as last Friday, the point was made again by Tony Abbott, and I quote:

There has to be a national emphasis on productivity lest ever more people end up receiving ever more benefits paid for by a shrinking workforce.

The National Disability Insurance Scheme recommended by the Productivity Commission is an important productivity measure for Australians as much as it is an important service delivery measure for Australians with a disability who have been on waiting lists or under-serviced or requiring extra services for too long. It has the potential to be a transformative project—a nation-building project—but it has to be done right. The opposition has suggested at a federal level that

the best way to do this is to have a bipartisan committee that would span more than three elections, potentially, from now until the final delivery when everything is up and running that would include consultation with stakeholders, individuals with a disability, and the service providers that will see their models having to change.

We need both sides of politics involved so we can get a model that will survive changes in government. When we are trying to do a national social change over the course of three federal elections, that is why it is so important. Again, I encourage the Labor Party to talk to their friends in Canberra and encourage them to ensure that the National Disability Insurance Scheme is something that will work well and will be supported by all sides of politics and will include the views of all of those involved.

Mr PEDERICK (Hammond) (17:17): I rise today to make my contribution to the Appropriation Bill 2012. Initially, I want to talk about some of my portfolio areas, including agriculture, in which (as is usual and as is the wont of this government which does not recognise what agriculture puts into this state with up to \$15 billion annually of finished food product coming from agriculture) we see more cuts. This was forecast several budgets ago where there were cuts inflicted on the sector, on the department, of \$80 million (\$20 million annually) and some massive staff reductions.

We have seen up to 400 staff leave the department of primary industries and, from what I am told, the morale of those who are there is getting lower and lower. In fact, recently a very good friend of mine left because they had just had enough of seeing a department that was getting absolutely gutted and lacking the support it needs to help drive the food bowl of this state.

It is really disappointing because, as much as we here support both mining and agriculture, we saw that, in the old primary industries and resources, before DMITRE turned up, the resources sector of the department did not have to make any efficiency gains. As I said, we appreciate on this side of the house that mining is important, but why is agriculture not important? In fact, it produces enough output for this state to triple what mining produces at the minute, because we are waiting for mining to ramp up, as the leader indicated earlier today, and we are still waiting to see what is going to happen up at Olympic Dam.

We know that BHP Billiton is very keen to get that project underway, but I understand that they are thinking about whether or not to progress at least eight other projects on a world scale around the globe. In the current financial climate, it is difficult, and it is also difficult for people like BHP Billiton to go on with these major projects with the federal mining tax, the carbon tax and the threat of essentially taking away the diesel rebate from off-road use.

That is the whole reason that both mining and farming are getting the 38¢ rebate—they are not on the road. The biggest issue is that whatever we pay in fuel tax and registration does not get put back into our infrastructure anyway. Our roads are so sadly lacking right around the state, yet here we see cash-strapped Labor governments at both a federal and a state level doing what they can to—

Mr Pengilly interjecting:

Mr PEDERICK: I think you can: it is just how big a deficit they want to have. These Labor governments just want to do what they can to make it hard for people who are employing thousands of people right round this country and minimise the chance of growing more wealth in the state and this nation.

Overall it looks like in the forward three years in agriculture we will see about \$24 million being cut from the state Labor budget and it is interesting to note that, during the Treasurer's budget speech, there was no mention of the clean and green food bowl, although this was clearly outlined in the Governor's speech. This is not a reflection on the Governor: the speech is written by the Labor government. It was clearly outlined that this was going to be one of the seven strategic priorities in the 2012-13 budget. Well, I am sorry: where is the priority? I have had a pretty good look at the budget and I cannot see any priority for the clean and green food bowl.

An honourable member interjecting:

Mr PEDERICK: Yes, lip service. There are some small funding applications there which I will talk about shortly, but all we see over time is a government that does not believe that it is impacted by cutting funding to agriculture because it has only one seat in the region, which is that of the Speaker, the member for Giles and, apart from that, they seem to think that their food turns up in cryovac packs and cartons or bottles in the supermarket.

What we have seen with agriculture is these full-time equivalent cuts across the entire portfolio. We see fees, fines and penalties across the whole sector continue to rise. In the Agriculture, Food and Fisheries program, the 'Fees, Fines and Penalties' income for 2012-13 is projected to increase to \$3.24 million, which is an increase of \$900,000 from the previous financial year. In straight-out funding cuts, apart from the full-time equivalent cuts, there is a reduction of expenditure of \$15 million from 2011-12 to 2012-13. As I mentioned earlier, when I was talking about the full-time equivalents, we are seeing another 98 jobs being taken from agriculture, and this is part of the total government savings initiatives.

In the cost recovery measures, there has been outlined in the budget a \$250,000 reduction to revenue due to delays in introducing the biosecurity cost recovery fee. This is all very interesting. The government has appointed Dennis Mutton to do their so-called inquiry into whether or not they will introduce this fee. When the Livestock Act was open recently in this place and the other place, all of a sudden that proposed fee disappeared.

I can understand that the government would have received a lot of angst over the property identification code fees and, to be fair, we agreed with that \$38 a year levy on farmers as part of a biosecurity arrangement for the primary industry sector. We thought, on this side, 'Yes, we do need to have proper management of biosecurity in this state.' But where does it end? The Environment, Resources and Development Committee is looking at that fee as well to see if the government is going to bring it in or not. I will be interested to see, if it does happen, what double dipping there will be against the recent federal announcement of several hundred million dollars going into biosecurity.

I note in the budget that there is a proposed expenditure of \$5 million for minor capital works and equipment for 2012-13, which is essentially ongoing maintenance and updates of vehicles and machinery, etc. I guess we should be thankful for that—that there is some maintenance being carried out and some updates of vehicles—but this is ongoing costing that should happen anyway. I do not know why it has to have a special budget line. We notice that the operating expenditure for the 2012-13 budget is \$175 million which is a decrease of \$50 million from the 2011-12 budget.

As I indicated earlier in my speech, there has been some money put into agriculture. There is \$780,000 which I acknowledge is going into the Australian Centre for Plant Functional Genomics for wheat breeding, but this is one of the small lights, and a very faint light, in this budget in regard to agriculture in this state. We look at fisheries and aquaculture and ever-increasing fees. We see that there has been almost half a million dollars for structural and environmental enhancements to fishing industry facilities but there has also been an increase in cost recovery and associated fees in 2012-13 to a total of \$400,000.

Because we have seen the end of the exceptional circumstances interest rate subsidy in this state, there is quite a decrease in expenditure—and that adds up to \$12.8 million—but there is also a decrease in the income side which is now \$9.4 million extra due to lower commonwealth funding for the exceptional circumstances interest rate subsidy.

Reflecting back on biosecurity, we see a reduction in expenditure to the tune of \$8.7 million, and \$4.8 million of this is the winding-up essentially of the branched broomrape eradication program which will finish at the end of this month. We have seen the national body make recommendations to both the federal and state governments saying that branched broomrape cannot be eradicated. I think we should have stuck to it. It has been costing \$4.5 million annually between federal and state funding for this program: \$2.6 million of federal funds and \$1.9 million of state funds.

Over 10 years we have seen \$45 million of government money, and it is reported that an estimated \$70 million of farmers' money has gone into this program. As we move into the new financial year we move into a whole new era as far as the management of branched broomrape where, basically, the quarantine area will be opened up and we will just go to a containment program. I will be keeping a very close eye on it to see that there are not any trade restrictions placed on farmers in the broomrape area. I note the presence of the member of the Schubert in the house—it goes across his seat, my seat, into the seat of Chaffey and there may be a bit elsewhere. I will be very concerned if there are any problems, and I will certainly bring it to the attention of this place if compensation is needed for farmers in that area.

Forestry is an interesting one: this is where the Hon. Michael O'Brien, former forestry minister, said, 'Well, we had to sell the forests to keep the AAA credit rating.' Well, the AAA credit

rating has gone out the window, so I would have thought we would have automatically ceased the forward sale. When you add those statements and what has happened over the matter of time, you can see why the reckless spending of this government has left us so far in the red.

We see there has been a reduction in expenditure of \$0.3 million due to a rationalisation of service delivery, and we are seeing that it is programmed that, instead of making a net contribution to government of around \$40 million annually, which Forestry SA has been doing, it is estimated that it will cost the government \$3.8 million by 2012-13. This is because this government is hell-bent on selling one of the biggest assets in this state, and they will give it away for something to the tune of \$600 million just to help fund the \$9 billion of infrastructure spend in the city.

We see this is already hitting the budget, where the net contribution to the government from Forestry SA is estimated to be \$18.9 million in 2011-12, which is a significant decrease from the budgeted \$38.6 million the government was hoping to make from Forestry SA this year. Surprise, surprise: this has been blamed on reduced timber sales and planned forward sales of forest rotations in the South-East. So, this is going to be a once-off. If the Labor government sells three rotations of forestry, that could be up to 111 years. None of us in this house will be here in 111 years and, if you are, good on you, but—

Mr Venning: Speak for yourself!

Mr PEDERICK: No, I do not think even the member for Schubert will be here in 111 years' time. I know we talk about 111 years and the fact that none of us are likely to be here: this is how long it is; this is something that will not just affect our grandkids, but our great-grandchildren, without having this asset, will be pouring money back into state coffers.

It is interesting to note that the 2012-13 investment program for Forestry SA is targeted at just under \$16 million for land acquisition, equipment, maintenance and technology, and it will be interesting to see whether that is spent as time goes on. I think the government has forgotten that there are all of these other areas of forestry which will need to be managed, such as up towards Jamestown and Kuitpo, and Crawford Forest in Mount Crawford.

I think, just on that level, let alone the foolhardiness of having this forward sale option, that they have not had a good look at what it really means for the cost to government into the future. We have already seen that with the significant decrease from the budgeted net money coming into government coffers.

The South Australian Research and Development Institute (SARDI) has a total of \$0.9 million in expenditure—\$900,000 coming out of the budget, down from \$31.47 million in 2011-12, to \$30.96 million in 2012-13. This obviously sees a reduction in research and development activity of around \$1 million. What really concerns me about what is happening in that research area is what is going to happen with the \$70 million plus of assets that are in government hands operated by SARDI, whether it is at West Beach, Turretfield, the Minnipa research station, or the many other centres that have been places of excellence for research for many years in this state.

The good oil I have on this is that the government just wants to walk away from agricultural research and technology in this state, and this will be transferred over to Adelaide University. I guess the caution I have with Adelaide University taking over this is that it recently sold several properties in the Mid North, and it has, I think, \$50 million, which it is setting up to be spent just on agriculture. That is a good thing, but I hope that is what happens, because we have seen families make bequests to the university for these properties to be used for agriculture and then, 40 years down the track, they are sold.

What really worries me here is that, essentially, when Adelaide University takes over, and it will come to a time when Adelaide University takes over (I think it was supposed to happen by the end of this month, but it has not happened because negotiations are still ongoing), what will happen with all the assets? I have been told that the government will help fund the university into these assets, but then I have also been told that, essentially, the government will forgive the debt. Why would a government that is cash-strapped give up at least \$70 million (and possibly a lot more) and give it away? I find it hard to believe. As I have indicated, you see this with the forest sale and we see it with the sale of the Lotteries Commission for \$80 million, with the commission providing \$20 million annually to the state coffers.

In my mind, another issue is the \$6 million that is being saved by this government by ripping it out of schools, and this is affecting schools in my electorate. Murray Bridge North Primary

and Murray Bridge North Junior Primary have been running as two schools—but, no, the government has decreed that they will be amalgamated, and that is that. The government spent significant money (I think it was about \$300,000) allegedly consulting on this amalgamation, and the government came out with a result that it wanted. Surprise, surprise!

What we will see across the state is diminished funding resources for schools, whether it is for special education or libraries or whether it is for student officers to assist with children's education, and I think this is a terrible outcome for the children of this state. I will add some more points later on when I get to grieve in regard to the Appropriation Bill. What we have seen is another budget come out where the regions are pillaged for their growth and for the benefit of the urban areas.

Ms SANDERSON (Adelaide) (17:38): It is my pleasure to speak in relation to the budget. This budget takes us from what was a AAA to a DDD—we now have debt, deficit and downgrade. The state debt will be \$13 billion in 2015-16, which will be our biggest debt ever. The 2012-13 deficit will be \$867 million, which is also our biggest ever debt. We have now been downgraded from our AAA credit rating to AA+, with a negative outlook. I remind the house that Kevin Foley said that losing our AAA credit rating would send us spiralling into an abyss of debt.

This government has had six deficits in seven budgets, with the election year being the only year to record a surplus, if that happens. We can see from past history that, in the 2009-10 budget, the 2012-13 estimate was an actual surplus of \$304 million, remembering that now we are up to a \$867 million deficit. By the Mid-Year Budget Review in 2009-10, that was recalculated upwards to \$316 million surplus.

Then, in the 2010-11 budget, it was downgraded to \$216 million surplus, and then downgraded again in the Mid-Year Budget Review to \$127 million. It was then again further downgraded, as of the 2011-12 budget, to \$114 million surplus. Then, in the Mid-Year Budget Review of 2011-12, it surprisingly went to a deficit of \$458 million, which has now been re-estimated in the 2012-13 budget as a deficit of \$867 million. We can only wait in anticipation for what the Mid-Year Budget Review will recalculate that figure to be.

As has been mentioned in the paper and in several locations, had the Adelaide Oval not been changed from an expenditure into an investment, that would have been a deficit of over \$1.2 billion. So, who can really trust any of the figures that are here?

To quote from the Treasurer's budget speech, 'South Australia will be a very different place in a few years.' All I can say is, let us hope it will. Hopefully, we will have a Liberal government and we will actually be returning surpluses once again and getting our state on track. There was also a quote in the budget that government borrowing would never exceed half our annual revenues. If you look at a whole of government point of view, our total debt is actually around 68 per cent of our revenues, which is a pretty bad position to be in.

I do commend the government on their disability funding. I think that was one highlight of the budget for me. Whilst there are no new taxes, which is always a good thing, there are 300 pages of increased fees and fines which were gazetted last week, hitting many families where it hurts, in their top pocket.

Bringing it to a more local point of view regarding Adelaide High School, in 2010 we were promised \$60 million for the expansion of four of our major public schools, providing 250 extra places at Adelaide High School to allow Prospect and Walkerville in the zone. This budget shows that just \$2.1 million of that \$60 million has been spent in two years. It states that \$15 million has been budgeted for this year, but last year the budget was \$20 million and only \$2 million was spent, so who can really tell how much will be spent on the schools?

Just to also remind the house, the expenditure on Adelaide High to expand by 250 places was a last-ditch attempt at saving the seat of Adelaide and was a bandaid solution. Even if it goes to schedule, the school will not be taking any extra students until, at the earliest, the beginning of 2015 and, at the latest, the beginning of 2016.

Remember that, by 2015 South Australia will be the only state without year 7 in high school, so to spend \$60 million to upgrade high schools that, by 2015, when every state in the nation goes to year 7 being in high school, is quite short-sighted and, I would think, quite a waste of money. We really need to realise that we need a completely new school and second campus of Adelaide High School to support the extra population that will be moving into the city, as well as when we eventually come into line with all the other states and have year 7 in high school.

Small business takes a hit again with this budget, with the watering down of the payroll tax exemption scheme for apprentices and trainees, which eased the pressure and made employing these people a more attractive option. I note that our youth unemployment rate is around 32 per cent, which is incredibly high. The apprenticeships and traineeships are exactly where these people would be employed, so we need to do everything we can to support small business to employ people. It is worth considering that 93 per cent of businesses in South Australia are small businesses that employ less than 20 employees, so funding targeted to them would be very beneficial in increasing our employment and we should do everything that we can to help.

In the last two years, funding to the opportunities for small business program has been cut by 53 per cent, and all of its subprograms have also been cut. There are now just eight people employed to support the 135,000 small businesses in South Australia and the total funding for that area is less than one day of interest repayments.

Turning back to state taxes, we all know there is difficulty in our real estate industry with the high prices of all our stamp duties and conveyancing tax, and I note that the change in conveyancing duty since the Labor government came in in 2001-02 is a 66 per cent increase, which is 26 per cent above the CPI for conveyancing, so that is stamp duty on houses. Land tax is even worse. The change since the Labor government came is 316 per cent, and that is 215 per cent above CPI, which is incredibly unaffordable and explains why people cannot afford to buy houses and why there is an affordable housing shortage. It is not worthwhile investing in property in this state. If you have money you take it interstate, otherwise you are losing a lot of your money just in state duties—taxes and stamp duty. I have doorknocked many people who have indicated that they are taking their money elsewhere.

I have also met several business people who are taking their business elsewhere because the cost of doing business in this state is not worthwhile. To quote again from the Treasurer's budget:

Our investments over the next four years will put the centre of Adelaide on equal footing with other state capitals, and will make our city a more attractive place to live, work and do business.

The main things to help business would be to reduce all taxes, in particular payroll tax, not cutting help to trainees and apprentices but actually supporting small business. If you want to make Adelaide vibrant you need two things: you need job opportunities for young people and you need a vibrant city.

I am happy to hear that the Deputy Premier is now reconsidering all the licensing for clubs and pubs. I have had probably about 80 emails to my office from business owners who felt that that was very unfair and would certainly lead to the closure of many small bars and clubs in the city, which goes against the vibrancy we are trying to create in the city. I was very happy to read the minister's statement today, and hopefully we will have some good results and help small business that are struggling.

Just like spending, waste has become an addiction with this government. 'Smaller public sector needs to be more productive' was a quote from this year's budget. Labor has blown out the public sector in its 10 years, and the cutting of 1,000 jobs pales into insignificance when compared with the 20,000 who have been employed since 2001-02. It is quite astounding the hard work that went into shoring up our economic future by the Liberal government after the suffering caused by the State Bank collapse. They got public sector numbers down to 66,933, and the Labor government have that right back up to 86,888, noting that that is after we no longer have the staff numbers to be included in those figures for things such as the TAB, ETSA and the ports authority. We actually have fewer places in which to employ people in the state, yet the figures are still blowing out.

Of the 20,000 or so extra public servants, around 13,000 of them are employed outside the core areas. They are not nurses, teachers, doctors or police—they add up to 6,535. They are paper shufflers, bureaucrats and people in different government departments. I am sure they are doing a very good job, but can we afford a blowout like this? Can we afford to have borrowings to pay our wages? It is just not good business.

We had \$445.7 million paid to contractors and consultants for departments. Whilst we have increased the public sector by 13,000 we are still employing outside that. If we had the true figure, we would be even more astounded. There has also been a lot of waste: things like the \$5.9 million paid for the cancellation of the Newport Quays contract, just after it was re-signed only days before,

which would have saved any payment. This conveniently coincided with the by-election in Port Adelaide—another incredible waste of money.

We had the payout of \$5 million to Marathon Resources so they would not mine at Arkaroola, even though we had worked out a way to do that for nothing, and it was Liberal policy. It astounds me that an exploration licence would have been given out, renewed and then withdrawn. It just beggars belief. I cannot believe some of the things this government does and the waste of money. We also had the \$10 million in compensation to builders in the wake of another broken contract, this time for the Murray Bridge prison failure.

We had the \$168,000 golden handshake to former premier Mike Rann. We also have Shared Services, which was supposed to save us \$60 million a year, but has today cost us \$120 million, and cannot even perform its basic functions like paying bills to the private sector on time, leaving businesses waiting hat in hand. It is an unmitigated disaster.

Mr VENNING (Schubert) (17:51): We have certainly heard some pretty negative speeches today. I am sorry, but I cannot add anything other than more negative comment about this budget. I have been here for a long time and I do not think I have seen a budget quite like this one. In fact, nowhere near it. There is nothing positive that one comment about, apart from some funding to mental health and disabilities. I made that comment in my local paper, because I always believe in trying to be positive. Apart from that, it is a tirade of negatives.

This budget has delivered nothing but bad news, I believe, for South Australia. This is Labor's 11th budget. The 2012-13 budget will deliver the biggest deficit and the biggest state debt in South Australian history. To go from a AAA+ credit rating to 3D or AA+ is an indictment indeed. In fact, it is a pretty horrific judgement. Of course, we are told that the AA+ could slip further. As a person that has been in business for years, I know what happens when things go bad in business. You have to really work hard to stop the slide, particularly when the bank and all the people you owe money to get onto your wheel. In this instance, it is the government.

A \$867 million deficit for the 2012 financial year is the biggest in South Australia's history. The forecast three years ago, as we have heard today, was for a \$304 million surplus. This is a \$1.2 billion turnaround. I wonder, if treasurer Foley had still been here, whether he could have achieved that and been able to hold the line. We will never know. No doubt ex-treasurer Foley will have some comments about it, but we certainly miss the strength that he had now that he is not here. However, the rot certainly started 10 or 11 years ago.

Far exceeding the debt levels seen in the wake of the State Bank disaster, this budget forecasts a massive \$13 billion debt by 2015-16, and that does not include the liabilities of WorkCover and the superannuation scheme. \$13 billion by 2015-16 is the biggest debt in South Australian history, and I have put a positive spin on that, because I believe it is much, much more. This means taxpayers will pay at least \$2.3 million every day in interest alone.

If this is not bad enough, as a result of Labor's budget mismanagement, the state has lost its AAA credit rating and there is a strong indication that this will be further downgraded. This will worsen the state's already dire financial position, as it will cost the state more in interest payments on its debt. Since Queensland lost its AAA credit rating, also under a Labor government, they have paid over \$700 million extra in interest payments. It is estimated it will cost South Australia somewhere between \$22 million and \$30 million per year. Whatever the exact cost, it will be the South Australian taxpayers who foot the bill, and how can you keep taxing people when they are already the highest-taxed people in Australia?

You have heard this ad nauseam, but I have to say it in my contribution because I will be circulating this to my people: on his first day in the job on 8 February 2011 the Treasurer made this profound statement: 'I will not allow the state to run up a credit card debt which will be left to our children to pay.' This budget leaves little doubt that our children will be paying for Labor's budget mismanagement. It is an absolute crying shame. Forget the politics: to some degree we all share this shame, even members on this side of the house, because we are the opposition and this has happened on our watch. It is our job at the moment to tell the people, as we are doing right now, what we think about this budget because history will blame us all for it. We will get the blame for it. So, the opposition has to get in to bat strongly and try to do what it can to right these terrible wrongs.

This government had the highest revenues in the state's history for the first seven years it was in power, averaging about \$500 million a year over and above the budget. It has not only spent it all, with nothing to show for it, but it has given the state a debt of more than \$8 billion. Back in

2002, when Labor came into power in South Australia (this government), I went onto the Public Works Committee for four years just to keep an eye on the projects the Liberal government had in the pipeline, and there were some big projects. Once those projects were finished, there were no new projects listed, none, for about three years, nothing. All this money from GST payments coming in and we had no major projects whatsoever. What was happening to the money?

Now we are seeing a mad rush to build all of this infrastructure at hugely inflated prices and we do not have the money to pay for it. What were we doing back then? It is a great abyss. It has evaporated. We know, Madam Speaker: the Public Service started to grow out of control—jobs for mates. I cannot understand what all of those people were doing, or what they did. How can you put on thousands and thousands of extra public servants? How can that be? As I said on the Public Works Committee, I got out of it after four years and went back to the ERD Committee, because I was so frustrated at the total lack of major developments over \$7 million.

The Hon. P. Caica interjecting:

Mr VENNING: You were there. You were chairman of the committee. I enjoyed the committee, but if you have a look at the minutes you will see that I am on the record as saying, 'Would you mind, please, letting me know of any new projects?' In fact, the government then tried to change the rules so that the projects had to be over \$10 million, I think, so we did not have to do them anyway, but the parliament rejected that and projects in excess of \$4 million are still examined by the committee. So, I was there and saw firsthand how the public works programs and the infrastructure programs did not happen. Now we are seeing a mad scatter on projects (but very few in the country), trying to do this catch up. I have to say that I do not believe the South Road extension is a fair use of government money, because it is so expensive.

[Sitting extended beyond 18:00 on motion of Hon. J.M. Rankine]

Mr VENNING: I am so pleased that we will break the record just to listen to me to go past 6 o'clock. My apologies to Hansard, but you will get your dinner break later on, as we all will. So, I am speaking strongly about the lack of public works back then. The question is—and we will all be condemned—what happened to the money between 2002 and 2010? What happened to the money? It just disappeared. All of a sudden we woke up and we started to rein it in, but it was too late. We had huge outlays of money—and we all seem to know where it went—and the waste went on and on and on, and we only know the half of it.

We have a debt of more than \$8 billion at the moment. What hope do we have for a new hospital in the Barossa? There was not even a mention, anywhere in the whole of the budget papers, of the Barossa. I tell a fib, there was one word. It talked about the few dollars extra spent on finishing off the Northern Expressway going to—you guessed it—the Barossa. It was the only mention of the Barossa in the whole of the budget papers; there was nothing else. Very few country regions featured at all.

Coming down this morning I was late for a meeting because the road from Clare down to Tarlee and on to Adelaide is a disgrace. How we do not lose more people on that road I will never know. It is not my electorate, but if you get stuck behind some slow vehicles you sit there. This morning it was a couple of grape harvesters and a truck and we sat there. People were taking crazy risks around those blind bends. The road needs urgent upgrading. There is a good public work for you, but, no, all they do is patch it up. Even a couple of passing lanes would be jolly handy.

There is no hope now for a new Barossa hospital because of Labor's economic mismanagement and wastage. There is no money to build a very much needed new facility despite the government's own business case recommending that a new facility be built. Country Health SA services in the Barossa region are currently operating from three different sites: the Angaston and Tanunda hospitals and the Nuriootpa site, which provides the administration support and community health services. Merging all three on one site would be far more efficient and save operational costs and inefficiencies.

However, there is no money for a new hospital in the Barossa but, in the past year or so, this government has found \$186 million over three years for government spin doctors—enough to build 2½ new facilities in the Barossa. I cannot believe this, and no-one comes out and says anything about it. Members on the other side are going to lose their seats over this. I would say that

six to 10 of them are going to lose their seats. All this austerity and you still are spending \$186 million over three years on a spin team. You cannot justify that and nor can we. I can assure you that in government we will not be spending that sort of money. Even though I may not be here, I will be having plenty to say if they go anywhere near it.

If it is half as much as that I will be having a fair to bit to say. I warn these young members who are here: when you are in government, when you are on that side, you had better be cutting that down by two-thirds.

Mr van Holst Pellekaan interjecting:

Mr VENNING: Absolutely, because good governments do not need to be promoted like that. Your good works should settle the story. Also, you spent over \$1 million on printer cartridges purchased by government departments at inflated prices in exchange for personal benefits. In addition, \$70 million was spent on government advertising. Former premier Mike Rann's golden handshake was \$200,000.

The Barossa region has been absolutely duped. The Barossa Valley generates more than its fair share of revenue for the state government, and what do we have to show for it? We have two aged hospitals well past their use-by dates. Tourism has been cut. We heard today that SA Tourism has had its budget pruned again. It is not surprising that our visitor numbers have fallen 10 per cent in the last five years, and we are certainly feeling this in the Barossa Valley.

I cannot understand why, when we have these cruise ships come to Adelaide—I think it was 12 or 13 of them this year—our numbers crash like that. These ships can drop off 3,000 to 4,000 people, yet they are not coming to the Barossa because they do not know how to get there. We have a train just waiting to get on the rails, but the government just has not got the courage or initiative to say to Mr John Geber, 'Well, you run your train. We'll cover your insurance costs, the rest is yours. It will cost you effectively nothing.' But, no—no help, no assistance, no encouragement, nothing. And what happens? The train is still there. I am lucky that Mr Geber has not sold it. It will end up as a crew van on a freight train, and that would be sad, indeed. We have the railway line running right past our best tourism attractions. We have the wine train ready to go, but, no, nothing at all. Not a sound. No encouragement whatsoever.

The government assertion that we are receiving a once-in-a-generation renewal of the state's infrastructure is simply not true. We are not fixing our failing water pipes or our ageing energy infrastructure and the planned electrification of our rail network is not proceeding. There are rusty SA Water pipelines across the state (and I have raised this in here before), particularly between Spalding and Burra, and burst pipelines in metropolitan Adelaide. Our sewerage structure everywhere is wearing out. Not enough money is being spent on replacing it. Suddenly it will all be packing up together and then where will we be? Imagine if the Morgan-Whyalla pipeline springs a leak all over the place, Madam Speaker, where would you be? Where would Whyalla be? It is its lifeline, absolutely.

If you drive along the road between, say, just to the east of Spalding, have a look at the pipeline. It is rusty. They tell me it is rusty on the inside as well. What has been done about it? Nothing. We have the flashiest building here in Victoria Square, the palace, yet you cannot paint your pipelines. I cannot understand why that is. I am told the inside is cement. Well, I was told by a good source who works with them that they are rusting inside, so I will check that one out and I will stand corrected. I thank the local member for that because he would know.

I am very concerned about these rusty pipelines and the general rundown of our infrastructure. It should have been that when times were good we spent the money; that is when you should have renewed your sewerage here in Adelaide and stopped the leakage into the aquifer, but you did not. We still have this cast iron sewerage that leaks like a sieve. If the rusty pipes are not bad enough, the state's water quality program budget has been cut by \$11 million since 2010-11. I cannot believe that this could be the case, as SA Water is forced to contribute more and more into state government coffers.

The electrification of the Gawler and Outer Harbor lines has been scrapped. The wastage of this government continues. The concrete poles that form part of the infrastructure needed for the electrification have already been installed on the Gawler line and they will now stand as a monument to this government's mismanagement. At least you could probably hang your election posters on them. I do not think you would even have the courage to do that. It is more expense that taxpayers will have to wear for infrastructure that is not being used.

If it is not bad enough that 66 electric trains have been ordered by the government, too many just for the Seaford line, what will happen with the others? Will they be discounted off? Just as we bought those trams at a discount, will we be doing the same with those trains? More wastage! On top of that, once the Seaford line electrification is complete, when the electric rail cars need servicing, they will have to be towed to the depot located at Dry Creek. You have to be kidding. Surely, we will have these beautiful modern electrified trains and then we will have to tow them all the way up to the north of Adelaide to have them serviced. Tell me this is a joke. I cannot believe that could be the case.

We are going to be the laughing stock. You spend the money on beautiful rolling stock and then you have the ignominy of having to tow it out there with an old diesel locomotive for servicing. It is ridiculous. I cannot believe that when the government makes these decisions, when you decide you are going to cut these projects, you have the electrification to the south, the electrification to the north, and also the duplication of the freeway to the south, I would have thought it would be fair and equitable and reasonable to say to the southern people, 'Okay. You will get your freeway, the two lanes both ways, and we will give the electrification to the north.' That would have been fair. But no, guess what? There is only one seat for the Labor Party in the north at Gawler and they are going to sacrifice that because he is not a mate of theirs, but there are four down in the south and they are all vital seats, so guess what? They get both and the north gets nothing.

I would have thought that Gawler was a fantastic opportunity to install one of the best park-and-ride schemes in Australia, with all the Barossa, all the Mid North, all the Clare region, all of Port Pirie and all those from the northern cities who could have come down in their car, parked at Gawler where there is room, and get on the train and come into the city on the beautiful electric railway, into the railway station, no car parking and no congestion on the roads. Common sense—but, no, we do not seem to take a single trick, do we?

The Governor's speech at the opening of the session stated that one of the government's priorities would be a clean, green food industry, yet the budget continues to cut funds to agriculture. The Treasurer did not even mention the word aquaculture in his budget speech. As the member for Hammond said very well a few moments ago, it is an absolute disgrace that you are cutting a major department like agriculture down to the bone. Every budget you have had, every one of them, you have cut the agriculture budget, and here we go, you are doing it again. There is not much left of it. As the member for Hammond said, what do you think the morale is like of those people who work in that department? There is nothing left of it.

It was a very proud department in the past with a huge record. I have to say that in all of our success, and mine included, the department of agriculture has been a large part of that with the research they have done over the years where they have taught us to be better farmers, to grow the best food in the world, and now what are you doing? You are closing it down. You are going to hand it over to the overseas multinationals who will screw us, the farmers, and screw you, the people of South Australia, because that is what they do in business. Their research will always be commercially based—dollar driven for them, not farmers or consumers. I am very concerned about that.

In this budget \$24.2 million has been cut from agriculture, despite the sector bringing in record returns for the state over the past two years. On top of the 400 jobs already slashed from primary industries, another 98 will go. SARDI is to lose \$1 million in funds research and development activities. I wonder what the Hon. Lynn Arnold, who set up SARDI in the first place, thinks about that. He was a great leader. I wonder what he thinks about that.

The total operating expenditure for Primary Industries and Regions has decreased by \$50 million. Biosecurity expenditure is reduced by \$8.7 million, with the winding up of the Branched Broomrape Eradication Program contributing to \$4.8 million. That is a disgrace. All that money will now be wasted. Fees, fines and penalties are to increase by \$1 million. It beggars belief that this government can list the food industry as a priority and then cut the agricultural budget staffing levels to the bone. What this government has done to the economy of this state is a disgrace, and we will all go down in history, as I said earlier, when South Australia has lost its way.

If I ran my own affairs like this, I would consider putting the business up for sale. It would be just like having seven or eight bumper years on the farm and wasting the money on sports cars, speedboats, extended holidays, aeroplanes, you name it—

Mr van Holst Pellekaan: Tractors, trucks.

Mr VENNING: Tractors, whatever—but tractors are useful and essential. The crunch comes when it stops and there are no financial reserves, no grain or hay reserves, so I start by selling off the back paddock. In other words, you are selling off your capacity to earn. We have done that here with the forests and we have done that with SA Lotteries. My banker would warn me. My overdraft rates would increase and I would eventually have to go bankrupt and sell the farm. That is where we are. We have learned all these rudiments ourselves as we have grown up in this place. What principles do we see here? I do not know what we are going to do, but we have another 18 months of this government. See if you can get out of this, because we will be here to help you if you can.

Mr VAN HOLST PELLEKAAN (Stuart) (18:11): I rise to make my comments about the budget on behalf of the people of Stuart. I will start by saying that there will always be a different focus on different priorities in this house, particularly between the Liberal and Labor parties. Independents have their say as well. We can argue about the priorities, and we probably always will have a different view, but what we do not have any opportunity to argue about is the mismanagement of the state's finances.

Liberal or Labor governments should always try to manage finances to the very best of their ability. They should manage taxpayers' money to the very best of their ability and then, once that is done, use the money in the way they see fit. However, nobody can argue that that is not happening at the moment. We see in the current budget that the current estimates period will conclude with a \$13 billion debt. When you add that to the government's unfunded liabilities, it is in excess of \$20 billion. So this current government has got the taxpayers of South Australia—every man, woman and child—in debt for in excess of \$20 billion. That is the official debt, plus every other cent that we are actually committed to pay or repay. That is outrageous.

Probably the most alarming component of the whole process for me is the fact that, for the last several years, both the current and the previous treasurers have forecast deficits for the next two or three years and then surpluses for a year or two after that, but we never, ever get to the surpluses. Another year rolls on and there will be deficit for another two or three years, but promised surpluses are a year or two down the track. They just never, ever eventuate, and that is the greatest concern.

If we had enormous debt—as sometimes families, businesses and organisations have to go into—and we had with that a good plan, a reliable plan, a track record of repaying debt, a track record of meeting commitments, a track record of using that debt efficiently and for good purposes, I could live with it. However, the fact is that we are never, ever going to repay that debt or even make a dent in it under the current government. The Auditor-General pointed that out a couple of years ago, as the Leader of the Opposition made very clear this morning.

A couple of years ago the Auditor-General said, 'You have to cut your spending; you're going down the tubes,' but the government has not listened. Instead, what we get is the non-stop blaming of international conditions. International conditions do not make you overspend. International conditions make times tough, they make some income predictions not turn out the way you would like, but they do not make you overspend. You cannot blame international conditions when the reality is that, right now, Australia's national growth rate is seven times larger than South Australia's state growth rate. That is because of the state government, not because of international conditions.

I now turn to waste and mismanagement. I would like to talk briefly about the exorbitant increase in the Public Service. Before I do so, I would like to say very clearly that we need a good Public Service. I am not opposed to the Public Service, I am not opposed to public servants and I am not into bashing them for the sake of it. We need a good, strong, efficient, productive Public Service but we do not need a bloated, oversized, overweight and inefficient Public Service which is what we have at the moment.

There has been an increase of 20,000 jobs in the Public Service since this government came in in 2002—20,000 extra public servants on the taxpayers' payroll in the last 10 years. Every year, on average, another 2,000 jobs, while, at the same time, the government says it is the international conditions that have been causing us all this grief. We have 360 public servants who do not even have a job. They get paid every day, every month and every year but they do not even have a job: 360 people costing \$27 million per year just to pay them but they do not have a job. It is inconceivable and unsustainable and the government cannot blame anybody else for the fact that that is the case.

Public Service conditions must be more closely aligned with what is available to the general public in the private sector. We do not need to pay people to do nothing. We do not need to pay people with exorbitant conditions and wages in excess of what the private sector would offer the average man or woman on the street. We need a good Public Service with good people getting paid fairly and doing a good job, not the sort of waste that we have in place at the moment.

Private enterprise is where real jobs growth can and should be created. In our state, small and medium-sized businesses make up most of that. Right now, youth unemployment in South Australia is at a staggering 32 per cent. It was 32.6 per cent for the month of April and it is even higher in regional South Australia. That is a disgrace, an absolute disgrace. It is not creating thousands and thousands more Public Service jobs that is going to fix that—they are not hiring young people; they are hiring older people. Youth unemployment will be fixed by supporting private enterprise and by allowing the private sector to create jobs. The only way they can create jobs is by being successful.

Why I am so supportive of the private sector and why I am so supportive of small business is that small business creates jobs. Successful businesses create secure employment and that is at the heart of any economy. What we have, though, is the government increasing taxes and charges all the time, which is a disincentive, and killing small business with land tax, stamp duty, electricity and water.

Madam Speaker, I would like to read an email from a constituent of yours. You may well have received it; it was sent to me last week by Robert Coro of Coober Pedy. An excerpt about electricity prices says:

When asked by District Council of Coober Pedy, Energy SA opined that the 18% rise is only attributable to low volume consumers.

Please open the attachment and you will see that the town's [Coober Pedy's] biggest supermarket has had their power increase from \$122k in 10-11 year, to \$172k (est) 11-12 year, to \$230k (est) for 2012-13.

For the same power consumption a business in Adelaide would pay \$103k.

So our local supermarket who supplies fresh food, meat and vegetables has had a 88% or \$108k power price hike in 2 years. This Coober Pedy business pays 123% above Adelaide for the same power consumption.

The Coober Pedy Water Desal plant will also have a 33% increase in power charges which means there will be another increase in price of water from \$5.75/KL (2010-11) to \$6.27/KL (2011-12) to \$6.55/KL (2012-13).

The most expensive water in South Australia.

I respect what Mr Coro has sent me and I appreciate the information but clearly he is not aware of the towns on the Barrier Highway, in the electorate of Stuart, where you have to pay \$11 a kilolitre for water and that is water that you cannot even drink. You cannot even drink it and you pay \$11 a kilolitre for it! That is disgraceful.

I turn to SA Water for a moment. We all know that we are in the driest state in the driest continent and water is a scarce resource. We understand that. We would expect water to be a relatively expensive commodity in our state. That is the reality. But what we have at the moment is SA Water taking advantage of its monopoly position, making a \$258 million profit last financial year. I understand it is a scarce resource that will be expensive, but what on earth are we doing jacking up prices outrageously to homes, businesses, factories, everybody who pays for water from SA Water, so that it can make a \$258 million profit?

Mr Griffiths: The money goes to Treasury, that's why.

Mr VAN HOLST PELLEKAAN: It's a tax. Exactly; it's a tax. It is unfair. It is a tax; \$258 million is taking advantage of a monopoly position. The government is going to sell the South-East forest rotations. It is going to sell the Lotteries. It is going to sell Fleet SA, we have just discovered, and I would not be at all surprised if down the track they get themselves into the situation where they have to sell SA Water too. It is quite possible that we are all paying outrageous water prices to jack up the profitability of SA Water so that the government can then just sell it at a profit in order to keep spending money recklessly.

As well as talking about selling assets—and we all know you only sell good, stable, profit-making assets when you have your back against the wall, not because of the international conditions but because of your own overspending—I move on to shared services. I have spoken here many times about shared services and I say every time that I understand we need efficiency, we need rationalisation, we need our government departments to be as lean and mean as they possibly can be, because at the end of the day we will all pay for it otherwise.

I understand the fact that it may well be good to amalgamate human resources, to amalgamate purchasing, and to amalgamate payroll and other services that government departments provide, but they do not need to be amalgamated in Adelaide. They do not need to be centralised in Adelaide. Exactly the same technology that allows all those services to come in from the regions, to sack people in regional South Australia and bring the jobs to Adelaide, could allow those same jobs to be spread around.

Port Lincoln could do human resources for the whole state. Berri or Renmark could do procurement for the whole state. Mount Gambier could do IT for the whole state. Exactly the same technology, exactly the same efficiency gains, could actually support regional South Australia rather than trashing it and taking the jobs out.

I understand that this program has actually been so ineffective, has been so wasteful and so destructive, that the Treasury department has opted out of participating in the Shared Services department, which I believe it started. That tells you how well this program is going; it is just another example of government waste and mismanagement.

It is no wonder we lost the AAA credit rating. Before I hear any calls from the other side about the AAA credit rating, let me just say that the government needs to make up its mind about whether it thinks it is important or not. When it had one, it was something that could not ever be lost, could not ever be wasted. The fact that it got it back was the saviour of the state. Now that the government has lost it, it is not that important anymore. The government needs to decide: is this important or is it not important?

Today we had Treasurer Snelling telling us that he disagreed with former treasurer Foley. Former treasurer Foley thought it was a great thing, and I am sure that Treasurer Snelling voted with him. I am sure that, when Foley was the treasurer, Treasurer Snelling would have been sitting there nodding and cheering and saying, 'Yes, yes, that's fantastic.' Now that he has lost it, it is not so important. Treasurer Snelling, I would like you to make up your mind, please. Come and tell us, is the AAA credit rating important or not important? It will be interesting to see when a Liberal government is reinstated and we win it back whether he thinks it is important then or not.

As I said, the government's role is to fill the gap where the private sector does not provide: to provide services that the private sector does not provide, important jobs on behalf of all taxpayers and all South Australians; to provide a health service, which is very important, as the private sector will not provide the complete health service that we all deserve; to provide really good quality public education; to provide police and law and order, also very important.

I was amazed today to hear the Minister for Police tell us—in a statement or in an answer to a question, I forget which—what a wonderful job the government is doing, in that crime rates are falling everywhere. It is interesting: crime rates are falling if you exclude murders. The shadow minister for police, the member for Morphett, makes it very clear in information he has provided that the number of murders in South Australia has significantly increased over the last year, according to ABS statistics released yesterday—so that would have been about a week ago.

In 2011 South Australia had the highest number of attempted murders per capita in the nation and the second highest number of kidnapping and abduction cases per capita in the nation. I tell you what: there is something to look into there. It is not all squeaky clean, the way the Minister for Police would have us believe. Recreation and sport is another very important area of service provision, for the government to provide facilities for the people of our state to use that the private sector would not be able to provide on its own.

I was told just the other day that the Marion aquatic centre—a wonderful pool, a wonderful piece of infrastructure, but who knows what it will cost to run every year, because the government will not provide that information—did not have a business case done on it before the money was spent. I have written to the minister asking for that, very clearly saying, 'If you have one please hand it over; if you don't please explain to me why that was not the case.' I look forward to the minister coming back and clarifying that, but I was told very clearly, late last week, by a person I believe would know, that no business case was done for that extremely expensive project.

When it comes to providing all these services, why is it that the regions continually miss out? Why is it that when the government needs to save money it always rushes straight to regional South Australia to find the savings? Why is it that when there are opportunities for growth or expansion they are always in Adelaide and not regional South Australia? We miss out both ways, and that is just not fair. That is not governing for the whole state.

I turn now to regional development funding. There are seven Regional Development Australia offices, or organisations, based in regional South Australia. They are a very good model, proffered by the federal Labor government—and good on them for doing that. It is a three-tiered model where local, state and federal governments all contribute in core funding so that, regardless of who is in government—Liberal, Labor, state, federal; it does not matter—all three tiers of government contribute funding so that the RDAs can do good work in regional South Australia.

But guess what? The state Labor government said it did not want to play any more; the state Labor government has withdrawn its core funding. I cannot understand how any good-spirited person in cabinet could possibly have supported that decision, a Labor government decision to provide this three-tiered model, and as soon as it is put in place say, 'Oh, by the way, we are actually going to pull out of that model; we don't want to pay a share.' It is disgraceful.

Just last week we had the Minister for Regional Development trumpeting a new \$3 million program supporting regional development. But guess what? That \$3 million has only been taken away from another existing, very good regional development program. You know what? That is the government's prerogative; if the government says, 'We've got \$3 million in regional development being spent one way, and we have decided to spend it in a different way in regional development,' it is the government's prerogative to make those decisions.

The crime here is that we now have \$7.1 million of government funding going towards regional development. The minister, while spruiking the \$3 million program, sort of quietly said, 'Oh, by the way, it replaces an existing \$3 million,' but he completely forgot to say that it would not replace any of the \$4.1 million that currently exists for core funding for RDAs. It is a double whammy. Not only are we going to lose \$4.1 million out of regional development, but there will now no longer be any core funding going to regional development from the state government.

Core funding is ongoing, guaranteed funding commitments for years into the future so that you can plan your work. It is very straightforward. It is not possible to plan long-term projects if you do not know whether you will have the staff to undertake them. How would you like to hire good people to stay in a region and work in your RDA, or to come to a region and work in your RDA, when you cannot guarantee their wage for more than a year? No good staff, no good programs, no good results, and then, guess what? If you do not get good results, how do you get your next tranche of funding to perpetuate the work you are doing?

Just like urban planning, these development programs take a long time—some of them are six-month projects, some of them are six-year projects—to really get the benefits. What we have here is another example of the government trying to wear down regional South Australia with stealth and attrition. It is no different from the country health plan from a couple of years ago, which we have not forgotten and will not allow to come back. Effectively, the government is saying, 'We're not changing anything; we will just slowly wear you down, water you down, not give you any funding and suffocate you slowly until you ask to be put out of your misery.' That is what the government is trying to do to regional South Australia through these RDAs, and I think it is disgraceful.

There is no support for Aboriginal affairs in the budget. There is some money for electricity production; I think that is terrific, but it is not going to change. We need some self-help capacity building programs. There are still people in the Aboriginal lands living in poverty, and that is unacceptable.

Earlier today, I spoke about the Cadell ferry—disgraceful. There is \$40 million available for the footbridge over the River Torrens so that people can walk to and from the football and the pubs over the of the river, but they cannot afford \$400,000 for people to get across the River Murray at Cadell; unfortunately, that will hurt that town like you would not believe. We have to do everything we can to replace that decision.

Mr BROCK (Frome) (18:32): I also rise to speak on this bill. I would like to mention some areas in my electorate of Frome that are struggling with the ever-increasing costs that are facing the rural areas of regional South Australia. Whilst I and other members of this house understand that there has been a vast reduction in the GST moneys received by this state due to the uncertainty not only in South Australia but across the world, it is an issue we all need to face.

I would also like to break my comments down to cover a couple of areas that affect not only the electorate of Frome but all of regional South Australia. In terms of transport and infrastructure, the road systems across Frome require a vast amount of work to be carried out to bring them back to a suitable level. The member for Schubert discussed earlier the road from Clare to Tarlee. We

understand that it is a unique road; it is not very wide and it is through a winding area. However, the minister knows, as would other members here, that those sorts of roads need to be improved as much as possible to reduce frustration and, in that regard, reduce the opportunities for a road accident.

Whilst I am very grateful that moneys have been allocated to the redesign and completion of the Clare and Spalding road intersection, and also the reconstruction of High Street in Bute, there are still many roads that have reached the end of their life. This did not just happen in the last year: this is the result of many years of non-allocation of moneys for the maintenance of these roads by consecutive governments. This has been going on for many years. As I said earlier, a road does not deteriorate in just five minutes.

These roads have had a lot of extra traffic in the last couple of years, including grain vehicles. As a result of the great harvest, and also the fact that farmers were not receiving what they considered the correct classification for their grain, farmers chased different sites to obtain a more realistic result in their grain classification which would result in more money for the grain industry. The savings would go towards better access for our products and also reduce the opportunity for accidents.

Regarding education, whilst there has been no mention of amalgamations of schools in my electorate, I will fight very strongly to ensure that that does not happen unless it is with the approval of the students and parents. We must continue to ensure that we have first-class schools to teach our future generations and that there are adequate facilities and resources so that youth who require special education receive it.

It has been mentioned in many avenues that there are sufficient funds to provide these services for these people with special learning difficulties. It is not the funds that are the cause of not being able to provide these services for the children but it is the actual people on the ground, and that is an issue we all need to face—being able to get the people out there in the regional areas, even though we may allocate money in the budgets.

Not all children are the same. There are many children out there with disabilities that require that extra attention to be able to achieve the required outcomes in their lives. There is a need for students who suffer from Down syndrome and autism, plus other illnesses, and there are many students out there who also may suffer from deafness. Again, we hear that there is so much funding in the system but, again, it is difficult to actually carry out the service for the lack of the actual people on the ground. These youths with learning difficulties deserve to have the same actual attention to their progress as those who do not have these learning difficulties. We must ensure that we remunerate teachers in this state to ensure that we do not lose them to the Eastern States or to another employment.

Regional school buses have been reduced and, in some cases, larger buses have been replaced with smaller buses. This affects the ability of rural students to get to their relevant school and, although there were places on the buses for non-public students to get on the same community bus as the public students, these non-public students were not given access. We all pay our rates: we all pay our taxes. The Snowtown Area School, when the bus was reduced in size, elected to finance a bus themselves to ensure they did not lose any more students. The savings from this would result in our youth getting the opportunity to achieve better results and to obtain employment opportunities, again resulting in more productivity and social service savings.

Regarding health, it is great to see, finally, the construction of the GP Plus facility which will be built at Port Pirie Regional Health Service. This facility has been in the budget for some years and, finally, tenders have gone out for the construction. I hear from some on this side of the house that this facility may be deferred until the next budget. I would state very clearly that this facility has been on the promise list for far too long and now is the time to build the facility for the people of Port Pirie and also the surrounding areas.

I will mention another concern of mine, and the Minister for Health is very aware of this. He has had me in his office on many occasions stating that the PAT scheme is not adequately compensating patients from regional South Australia who need to travel outside their areas to receive the required specialised services. The people in the health system may, in actual fact, see these people at the specialists in Adelaide and many think it is okay, but let me advise the members here today that UnitingCare Wesley Country SA has already allocated in excess of \$46,000 in micro-loans to people in my region, and mainly in Port Pirie, to allow them to receive dental and medical services.

This may not be evident to those within the health system but we in the actual front lines do know and understand. My concerns are that there are many occasions on which the patient cannot afford to travel to see the required specialist for their illness and this acute illness could become chronic and require hospitalisation. The question is then: where would the saving be—prevention or hospitalisation?

Another area of concern is people who have an illness requiring a constant temperature to maintain their comfort. The member for Bragg and a member on the other side whom I cannot think of at the moment were instrumental in talking to a group of people and, to the credit of those people and the government, there are concessions now in place. These concessions are for those who qualify. However, with the ever-increasing power costs, they are now struggling to pay their power bills and, at times, are turning their air conditioners off. I would like to see these concessions increased and indexed.

Emergency services are very important to the people of regional South Australia, for without the volunteers there would be no services for firefighting, accidents and other areas. We must not only provide the required protective equipment and firefighting units, but we must also make it attractive to volunteers and ensure that we have sufficient numbers to prevent any burnout of those who may be left carrying out these voluntary services.

We must also ensure that we provide training and equipment to our paid emergency services personnel and not downgrade the services that are already in operation. We should, in actual fact, be increasing these services to allow for the ever-increasing opportunities for people to reside in regional areas. The savings will be in the area of not having to provide full-time personnel to cover these areas that are currently operated or undertaken by dedicated volunteers. Again, let me just state that volunteers are very appreciated in country areas. They do it as part of their life, and it is something that we should all be very thankful for.

Regarding water, this commodity is something that we may all take for granted at times and we must ensure that we have sufficient not only for human consumption but also to be able to achieve employment opportunities, especially in regional areas. Another area of concern to me—and I have spoken to the minister on numerous occasions—is the pricing of water to the grape growers in the Clare and Gilbert Valleys area. These grape growers are facing ever-increasing costs for their water and are competing with other wine regions—the Barossa Valley and Langhorne Creek—which have the ability to bulk-purchase water.

The Clare and Gilbert Valleys wine grape growers association paid in excess of \$1 million to have the system put in place. However, they do not have the ability to bulk-purchase water. I have had discussions with the minister on these matters and these discussions will continue to ascertain and endeavour to get a better result for the growers in the Clare and Gilbert Valleys.

We must ensure that the price of water is adequate to ensure that infrastructure is maintained and improved. I heard the member for Stuart say that SA Water made a \$286 million profit, and we should put some of that profit back into ensuring that infrastructure is maintained. However, we must also ensure that industries such as viticulture are maintained and viable to compete with other wine regions that may have alternative sources of water. A reliable and sufficient supply of water would result in more employment opportunities in the regions.

Police and justice: having sufficient police in the regions is something that must be maintained and improved not only to ensure the wellbeing and safety of the current residents but also to be able to attract future residents to regional areas. I also note that there are no funds in the budget this year for a resident magistrate in Port Pirie. This is an area that I have been promoting with the minister and his department. I will be campaigning strongly for an allocation in the next budget.

Having a resident magistrate in the city would eliminate the necessity for judges visiting our region on the circuit and would also assist in expediting the hearing of cases, especially with child support and the like. Savings would result from quicker and more efficient outcomes and people being able to get a result instead of being frustrated, which may result in more drastic outcomes or actions by those people concerned. Let me say that there are many issues, especially with child access and such things, that are very frustrating for our community. Having to wait for the same magistrate to come on the circuit is very frustrating, and some of those people have been near suicidal.

We have heard comments from many today regarding the budget expenditure and potential income. We all understand the ever-increasing challenges with the Australian and the

world economy. However, when we expend moneys to ensure our growth with our mineral resources and grain, we should be able to achieve the required outcomes. We need to expend our budgets on infrastructure in regional South Australia. We must also ensure funding for regional development. The member for Stuart has indicated that he is disappointed—and I am disappointed—that there is no guaranteed funding past June 2013.

Regional Development Australia has key people out there in the regions. They know the areas and they understand what we need. We must, even if it is with federal government funding, ensure that there is guaranteed funding for them so they have a guaranteed future and know where they are going in the next two or three years. State governments need to have a blueprint not only for Adelaide—we hear this quite often—but, more importantly, a blueprint for regional infrastructure plans in regional South Australia. Any alternative government needs to place on record its blueprint, its plan for the future of this state and, in particular, regional South Australia.

Mr MARSHALL (Norwood) (18:45): I rise to speak on the 2012-13 budget and the forward estimates which have been presented therein. May I say at the start that this is a particularly innovative and creative budget. In fact, if this was a year 12 SACE project it would get 10 out of 10 for presentation. Never before have we seen the budget presented in such a slick, glossy, heavy and beautiful stock. There are some fantastic innovations in this document.

For the first time we see colour presentation. Of course, treasurer Foley just had his budgets always done in his favourite colours, black and white. I was wondering whether they should be done in red and blue in the Norwood colours, but he always did them in black and white. However, that is not good enough for this Treasurer, that is not good enough for this Premier. They have gone all out with a very slick presentation with glossy photographs on every page.

We have photographs of happy families. We have a message not from the Treasurer, the Hon. Jack Snelling, member for Playford, we have a message from Jack. That would have been workshopped by the media team on exactly and precisely what the readers needed to see. We have photographs of happy families with the great bold headlines 'Helping the Family Budget'. Of course, we have the obligatory shot of our mounted policeman surveying the beat and keeping law and order.

We have photographs of our State Emergency Service workers and then, on the final page, we have a fantastic photograph of our Premier, the Hon. Jay Weatherill, surveying the city, looking out across it in a Colonel Light-esque manner, with a vision (which was obviously very staged and workshopped) for South Australia. Unfortunately, this is not a year 12 SACE project and, despite the impressive presentation, the substance of this budget is found extremely wanting.

This budget is nothing more than an absolute catalogue of complete and utter economic mismanagement by this government over a 10-year period. It is a budget which very clearly demonstrates that the government has completely lost control of its budget. In its simplest form, we see expenditure significantly larger now than income. We are seeing this now not as just a once-off but becoming a pattern.

This year's deficit is \$867 million. That is \$867 million that we have spent more than the money which is coming into the budget. You can understand that, from time to time, given the cyclical nature of the economy, you could have a situation where income does fall below expenditure. However, I put it to you that this is not just a once-off; this is not just a cyclical adjustment; this is now something which is happening each and every year. In fact, this government has spent more money than it has accumulated in six out of seven years. That is something which is becoming undeniably structural.

This is a budget where the Treasurer has been at pains to point out that we are the victims of the global financial crisis. He has painted a picture that we in South Australia are the victims. We have had this once-in-a-lifetime write down of our income which is coming into the state. Of course he fails to highlight the fact that Victoria, faced with the same global financial crisis—the same underlying manufacturing base that we have here in South Australia—actually promised to its people that it would produce a surplus. Indeed, when the budget came around, that is precisely what it did.

A good Liberal government in Victoria, facing a global financial crisis and facing the write-down of their GST revenue, went out and actually delivered a surplus in its very first year. In fact, today we have the New South Wales government bringing down its budget. What did it do in its budget? It actually brought down a smaller deficit than we were able to manage here in South

Australia. So, a state which is many, many, many times larger than our state has been able to post a much smaller deficit than our Treasurer has been able to place here.

There are many reasons why income is falling. One of the very obvious reasons for this is downturn in economic activity. So, what is the government's response to the downturn in economic activity? The government's response has been to actually increase the handbrake on the economy. We have a government which acknowledges that the revenue is falling because economic activity is falling, and GST revenues are therefore down.

We know that stamp duties are down, we know that tax collection, in terms of payroll tax and land tax, are all down because of this slowdown in the economy. The genius Treasurer has decided that the very best course of action that he can take is to further put a handbrake on that economic activity.

Let us have a look at some of the areas in which this government has really excelled itself. Let us have a look at small business. Now, a lot of people come into this parliament and they talk about the importance of the small business sector. In fact, we have had speech after speech after speech where the government has said unequivocally that this is the backbone of the South Australian economy. It talks about very large numbers, like 135,000 small businesses in South Australia and how we need to support them.

Let us take a look at the budget, which was only released in the past few days. What has the government done? Well, it has slashed expenditure and support for the small business sector. In fact, over the last two years, there has been a 53 per cent decrease in expenditure in this important area. At the same time that they are talking about the importance of the small business sector, they are taking away support for small businesses.

One of the centre points of the cost-saving initiative of this budget was to actually take away the payroll tax concession to businesses employing trainees and apprentices: what an outrage! So, at the time it is wanting to increase economic activity to drive up its income, it is putting the handbrake on South Australia.

Let us have a look at some of the programs that have been cut recently. We know that the government has taken away all of the funding for the BECs, we know it has taken away the funding for the Youth Entrepreneurs Scheme, we know that the Small Business Emergency Helpline has gone, we know that Small Business Month has been cancelled and we know that the SME Investment Development Program has been completely and utterly cut.

If we actually look at the size of the budget for this current financial year, it is \$1.98 million. If we divide that by 135,000 small businesses, that amounts to \$14.67 expenditure for each and every one of the small businesses in South Australia. I put it to you, Madam Speaker, that that is not a figure which really indicates strong support for the strong business sector: \$14.67 is what this government is allocating per small business in South Australia. This is a government which does not understand the importance of this sector. This is a government which has turned its back on this sector.

Let us take a look at manufacturing, because this is another area where this government's media department—its spin department—has absolutely and unequivocally excelled. It has basically put out press release after press release in the last three months; it must have done some polling which told it that manufacturing was all of a sudden the flavour of the month. What it has told us is that it has brought out a new green paper on the future of manufacturing in South Australia, it has established a new Advanced Manufacturing Council for South Australia and it has established a ministerial task force to specifically look at this area.

We know that the Advanced Manufacturing Council is just a rename of the manufacturing consultative committee. We know that the work of Göran Roos on the green paper was actually funded by industry itself. Ten South Australian companies put in \$10,000 each; \$100,000 was put in to bring Göran Roos to Adelaide for him to do his work to come up with a manufacturing green paper. This was not something that was done in government, no siree. Of course, the hilarious part is this manufacturing ministerial task force with four members, none of whom had ever spent a day in the manufacturing sector.

But to add insult to injury to the manufacturing sector in South Australia, the government, in the lead-up to the budget, announced that it would be spending \$8 million to support manufacturing in South Australia. Let's take a slightly closer look at that. It turns out that it was \$8 million over a four-year period, so it was \$2 million a year. I took the opportunity to take a look at how much the

government was spending 25 years ago in manufacturing and, guess what? We were spending more on the manufacturing sector 25 years ago than the government is spending going forward in the budget.

In 1987, it was the Bannon Labor government that set up the South Australian Centre for Manufacturing. It understood the importance of the manufacturing sector, and it invested in what became the leading manufacturing transformation centre in the whole of the country. It was based down on the Woodville site of Holden's. It basically worked with a number of leading organisations throughout the world, predominately in Japan and Germany, and it put programs in place to help manufacturing companies which were struggling with this transformative environment where we had reduced our tariff protections and we had opened up our borders. We were helping companies address the challenges of operating in a global environment—and, let me tell you, it was world class.

When the Liberal government came to power in 1993, the Liberal Party continued to support this excellent initiative and, under the stewardship of John Olsen, that grew to become the principal manufacturing institute in Australia. In fact, when I met with Göran Roos recently on his trip to South Australia, I made the point to him about the South Australian Centre of Manufacturing, and he said, 'Do you know, I was recently up in Queensland, at the Queensland Manufacturing Institute, and they were still talking about how advanced the South Australian Centre for Manufacturing was. It is a huge problem for the government, this area of manufacturing. The government has no credibility. Its \$2 million a year does not even cut it with expenditure that this government was putting into manufacturing 25 years ago.

Let's take a look at trade. This is another area where this government has performed extraordinarily poorly. If we look at the March quarter statistics in terms of exports from South Australia, it produces a very, very sad picture for South Australia. The March quarter exports this year versus the March quarter last year are down 10 per cent. We have had the minister and the Premier coming in here, question time after question time, with Dorothy Dixers. They cherrypick one single solitary statistic out of the export data, and they do not want to actually look at the—I seek leave to continue my remarks.

Leave granted; debate adjourned.

MENTAL HEALTH (INPATIENT) AMENDMENT BILL

The Legislative Council agreed to the bill without any amendment.

STATUTES AMENDMENT (NATIONAL ENERGY RETAIL LAW IMPLEMENTATION) BILL

The Legislative Council insisted on its amendments to which the House of Assembly had disagreed.

At 19:00 the house adjourned until Wednesday 13 June 2012 at 11:00.