

HOUSE OF ASSEMBLY

Tuesday 18 June 2013

The **SPEAKER (Hon. M.J. Atkinson)** took the chair at 11:01 and read prayers.

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

VISITORS

The **SPEAKER:** This morning, we have visitors in the Speaker's gallery, the Hon. Michael Polley MP, Speaker of the Tasmanian House of Assembly, and Mr Peter Alcock, the Clerk of that house. Welcome.

APPROPRIATION BILL 2013

Adjourned debate on second reading.

(Continued from 6 June 2013.)

Mr **MARSHALL (Norwood—Leader of the Opposition) (11:03):** After 11 years in government, the Labor Party has handed down its most disappointing budget to date. The 2013-14 budget is a culmination of gross economic mismanagement over the past 11 long years of government under Labor. The Treasurer said that this was a responsible budget, based upon a whole pile of conservative assumptions. He said, 'I am improving the budget outcomes by making some prudent savings.' Well, nothing could be further from the truth.

This is an extravagant budget, delivering the largest deficit in this state's 176-year history. But more than this, it lacked any vision for our state, any plan of how this government plans to turn this state around. Its forecast growth rate is below that of the rest of the country. This state is performing at the bottom of the class, and this government's plan—their blueprint, their budget—is to keep us at the bottom of the pack.

This budget offers no plan to provide relief for businesses here in South Australia. It provides no relief for households struggling with ever-increasing cost of living pressures. It provides no plan to support our important regions here in South Australia. It delivers cuts to police, health, and education, and it sends a dangerous signal to our next generation. It says that South Australia's future is going to slip further and further behind the rest of the states in Australia, and if you want a job somewhere, head interstate. This is a dangerous budget and the effects of decisions made this year will be felt for many years to come.

On Thursday 6 June, the Treasurer confirmed what we all suspected, and that is that this year we will record the largest deficit in this state's history: \$1,314 million—\$1.3 billion. It does not sound much when you say it quickly, but let us look at the chronology. Two years ago we had a budget deficit of \$53 million. Last year, the government delivered a budget deficit of \$258 million—completely unacceptable. What do we have this year? A massive deterioration to \$1,314 million in this single year. To make matters worse, this was the year that the government promised that we would be returning to the black. This is the year that it promised a surplus. Instead, it has delivered the largest deficit in this state's history. Shame on you!

Of course, this government has announced in its budget a further massive deterioration from the picture that was presented to us in December last year. When the Mid-Year Budget Review comes up, it gets to update the people of South Australia on how we are tracking. Since then, there has been a further massive deterioration to the final budget that was handed down the Thursday before last.

Of course, the Premier (the part-time Treasurer) would have us all believe that this is because of some once in a lifetime writedown in revenue coming into this state. Well, it is just simply not true. Your own budget document points to in excess of \$50 million worth of increased write-up in taxation revenue coming into the state and an initial \$260 million write-up in other revenue coming into this state.

The problem was not the revenue line: the problem was its addiction to spending. This is a government which is completely and utterly addicted to spending. Blowout after blowout, new

announcement after new announcement. The line-up outside of the Premier's office is huge. They are all lining up asking for new money. He is a soft touch—he cannot make a tough decision.

The Premier, of course, famously sacked the previous treasurer who is sitting just two seats along from him this morning. Quite frankly, he did not think he was doing a good job, and neither did we, so that was a good decision. But the Premier says that he is the man for the jobs and he boasts saying that he studied economics at university. I am not sure how lessons went back then, but I studied economics as well.

I can remember my very first lesson in economics—1983, year 11 economics. Let me tell you what was in the first lesson because it is sage; it is important to understand this. The first lesson talked about how we have infinite wants and finite resources in the world. That is the basis of economics. Let me tell you, the Premier was awake for the first half of that lesson but unfortunately he fell asleep halfway through. The Premier understood the first part, but he completely forgot the fact that we have got finite resources.

In the December Mid-Year Budget Review, the Premier announced a new \$1 billion worth of operating initiatives and capital expenditure—\$1 billion—with \$888 million just in new operating initiatives alone—profligate spending. Not to be outdone, in the budget that was handed down the Thursday before last, the Premier announced an additional \$1.3 billion worth of new spending.

It does not stop at new spending. Almost half of the budget deficit this year is on unbudgeted expenditure, but money that was never even in the budget. So each year the government gets the opportunity to come and set its budget for the people of South Australia. Let me tell you, it blew its budget this year by a staggering \$626 million worth of money that it spent that was never even in its budget. If we look at it over the last 11 years—a total of \$3.8 billion. This government has no control on its spending whatsoever.

How to do we plan to fund this government's runaway spending? Let us turn our attention to the net lending deficit. To put it simply, this is the factor we look at that defines how much we borrow, how much the government borrows on our behalf over the course of a year. So, it is our cash operating deficit, plus our capital expenditure. In this year alone the net lending deficit will hit \$1.376 billion. To make that simple for everybody, that is \$3.8 million per day every day for the year that the government is borrowing on behalf of the people of South Australia.

That is a staggering number but, of course, it only paints half of the picture because this year is the year that the government has sold the forward rotations of the forests. This is the year that the government has sold the licence to operate SA Lotteries. Those two sale items came in to offset the net lending deficit. If we add those back in, let me tell you what that figure goes from. It goes from \$3.8 million a day to \$6.8 million a day. That is what this government is spending on our behalf. It is absolutely, completely and utterly shameful.

The budget states that we are now on track to deliver the largest debt in our state's history, a staggering \$13.75 billion. The problem with this mounting debt is, of course, the interest. Ordinary South Australians and taxpayers are going to have to pay this incredible debt that the government has run up. This is not a headline number. This is not something that was included in the Premier's speech to the parliament. This is not something which was in his budget summary. We had to look deep into his document, in fact it is hidden, shamefully hidden, away on page 155 of Budget Paper No. 3. What that reveals is that the government has indebted us to such a degree that we will be paying a staggering \$952 million per year interest on that debt—\$952 million, that is absolutely staggering.

When we queried the government about that it said, 'Well, what would you have us do? Cut spending? It could get worse.' That is its whole defence of this profligate spending, that it could be worse if it did not keep spending at such an inordinate rate. The government sees no opportunity for reforming its performance and getting this state back on track. Quite simply, this is a dangerous budget for the people of South Australia. It proves conclusively that Labor and, in particular, this Premier simply cannot manage our economy and simply cannot manage our money.

South Australians were looking forward to a budget that charted a course to prosperity, but they have been sorely let down by this budget. Ordinary South Australians who I speak with simply cannot believe that government spending has got this far out of control. More than that, ordinary people who I speak to say that they simply cannot believe the government has decided to put all that cost pressure back on them. They are the ones who are going to have to pay for it. Bus fares, licence fees, car registrations, all are up nearly double what CPI is. Water prices are up 249 per cent under Labor. Electricity prices are up 150 per cent under Labor.

Do not get me wrong; ordinary people in South Australia expect that prices are going to increase over time. We have a CPI adjustment, which has been 37 per cent while this government has been in office. So, people can expect and are happy to expect that prices will increase at around that mark of 37 per cent, but not 150 per cent for electricity and not 249 per cent for water. That is the problem with this government. It has no appreciation of the pressure it is putting on ordinary South Australians.

To make matters worse, not only is the government increasing tax rates and fees, it is actually introducing a new tax: the car park tax. The government has previously stated that what it wants to do is increase city vibrancy. It wants to get more people into the CBD. The best mechanism it has been able to come up with is to charge people \$750 a year on car parks. It is a complete and utter cash grab. Interestingly, in the budget, it is called a transport development levy.

Not even the Premier believes that. On many occasions in this house he has been referring to it as the 'car park tax', only to be corrected by the former treasurer who says, 'Actually it's a transport development levy.' However, the Premier knows what it is: it is a grab for cash. His own team, of course, have been counselling him against it. We all know that; that is out in the public now, but he will not listen. Families are doing it tough under Labor and he is not listening.

Now let us turn our attention to the business community. Unfortunately for the business community there is no relief in this budget for it either. South Australia remains the highest business taxed state in the nation. We have the highest electricity prices in the nation. We have the highest water prices of any capital city in the country. We have the highest WorkCover rate in the nation. It is not 5 per cent more than the national average; it is not 10 per cent more than the national average: it is over double the national average. It is the worst-performing scheme and it is the most underfunded scheme in the country.

This is the scheme that the Labor Party has presided over for the last 11 years. This government has the handbrake on the South Australian economy, it has the handbrake on the productive component of the economy, it has the handbrake on the business sector, and it is pulling it on tighter and tighter. We are all paying the price. You only have to look at the statistics which came out earlier this month in terms of state final demand. This shows unequivocally that, in the first three quarters reported through to the end of March this year, the South Australian domestic economy has contracted 3.75 per cent.

We are going backwards. We have stopped treading water under Labor and we are now heading backwards—a 3.75 per cent contraction. It is not as if we need to wait for these statistics to come out. Every time we go out and speak to people on the streets or go into their small businesses, we know that they are doing it tough. They have never had it tougher. A lot of people have been very concerned about Spring Gully in recent months—a great South Australian company. Let's face it, we all want that company to survive. I think everybody I have spoken to now has a pantry filled with pickled onions and gherkins—

The Hon. C.C. Fox interjecting:

Mr MARSHALL: The member for Bright is nodding in furious agreement. She has been out buying gherkins and pickles.

Ms Bedford: Mustard pickles.

Mr MARSHALL: Mustard pickles, says the member for Florey. We love our family business sector. We love our small business sector but those people are doing it tough and we want them to survive. However, it is not about Spring Gully; it is not about an isolated case. If we look at the ASIC insolvency appointments statistics for the March quarter there were 264 insolvency appointments for the quarter—that is three per day. It is not only about Spring Gully—three companies from South Australia have made insolvency appointments with ASIC in the first three months of this year. That is up 118 per cent on the previous quarter, while the rest of Australia has gone down by 2 per cent.

What does the Premier do? He shakes his head and says that that is wrong. Look it up; it is there for all to read. The Liberal Party does not accept that we should have the highest business taxes in the country; it does not accept that we should have the highest utility prices in the country; it does not accept that we should have the worst WorkCover scheme in the country. We want to get off the back of the productive component of our economy and we want to grow our economy.

The Liberal Party has a plan to get this state back on track. Our approach revolves around three core strategies: first, to return our budget to surplus; secondly, to grow our economy; and

thirdly, to make this a more attractive place for the next generation to live. I would like to go through those three items in some small detail. First, to return the budget to surplus, we do not accept the government's position of six deficits in seven years. It has delivered a structural deficit for this state which is, quite frankly, unacceptable.

It is not only unacceptable and unsustainable but, quite frankly, it is immoral. Why should we be spending up big at the moment only to put that burden onto future generations? In fact, a lot of people talk about future generations, but it is not even about future generations: it is about next year's budget. A \$1.314 billion deficit this year will hit next year's budget to the tune of approximately \$65 million in interest. It will hit the following budget by approximately \$65 million in interest. And the year after? You get the picture: \$65 million.

The profligate spending in this one single year alone will have this ongoing cost to our future budgets just to pay the interest. This is not paying down the debt that they have run up, this is just paying the interest, at the historic low interest rate that we have. It basically cuts off so many options for us in terms of our budgets going forward. We believe that we need fiscal discipline within government. When you set a budget, you stick to the budget—you do not have these massive accumulating blowouts each and every update, and you do not announce a whole pile of spending within that period.

Our second focus is, of course, to grow our economy. As I said, this government has the handbrake on our economy: whether it be with our completely uncompetitive taxation and cost system; whether it be with our massive and escalating regulatory environment with which this government has basically got the noose, the stranglehold, on the productive component of our economy with increased regulations; or whether it be that they have provided the wrong infrastructure—and that is going to be the focus for the Liberal Party—getting our cost basis right, reducing regulation and making sure that we invest in the right sort of infrastructure to get our economy going.

But, more than that, it is about confidence. This state's business community has lost confidence in Labor; they have lost confidence in Labor at the state level, they have lost confidence in Labor at the federal level, and they want them gone. What we need more than anything now is a government which is going to provide confidence so that people are not worried about the future, they are not worried about their jobs, and they do not continue to squirrel more and more money away, contracting the size of our economy.

Thirdly, our policy will be to make South Australia a more attractive place for our next generation. I have young children, the Premier has young children, and I am sure that we both share the goal that these young people stay here in South Australia, but this has not been the case in South Australia over the last eleven years under Labor.

If we look at the picture, we have had net interstate migration of in excess of 32,000 people, most of them young people, most of them school leavers and university graduates who do not see their future here in South Australia under Labor. Imagine this state if those 32,000 people were back in our economy, buying homes, contributing to the productive capacity of our state, spending money in our economy, maybe starting businesses and employing people. We would be a completely different state if we had not lost those people, and it is incumbent upon all of us to work together to make sure that we can keep those people here.

Since becoming leader I have promised to work with the people of South Australia to create a vision for this state through to our bicentenary in 2036. It will be a vision which does not accept that South Australia should be at the bottom of the pack. This vision recognises that South Australia needs a vibrant, growing business community, and a vibrant growing economy to make sure that we achieve our full potential as a state.

Unlike the government, we do not believe the road to prosperity is through increasing government spending. Unlike the government, we do not believe that the future prosperity of this government is encumbering the next generation with increasing debt. We do not believe that we are going to have a tax-led recovery of our economy. We do not believe that we are going to have an increasing-regulatory-led recovery of our economy. No. It will come by installing a government that understands the needs of the business community—the productive component of our economy—and a government that understands the struggles of our households and sets government priorities based upon those which are shared in the community.

I have said that a key for us in the lead-up to the next election will be a focus on the small business and the family enterprise sectors of our economy. These sectors are truly the backbone

of our South Australian economy and they are doing it tough. They have been let down by an avalanche of broken promises, and by a government that does not understand them and does not understand their voice.

We have 142,000 small businesses in South Australia and they have been completely and utterly forgotten by this government. They took this government at their word when they overspruiked Olympic Dam, and they took this government at their word when they overspruiked the defence sector, Arafura Resources and a range of other projects. The problem with this over spruiking, of course, is that the small business sector responds. They increase their capacity, they take on more staff, and they spend capital in preparation for what the Premier had promised. Unfortunately they have spent a lot of money getting themselves ready for this boom which just simply will never come. They also, of course, relied on what the government said in the lead-up to the last election.

The government matched the Liberal Party's initiative to offer payroll tax exemptions for all trainees and all apprentices in South Australia, yet in last year's budget the government abolished that promise. It took it away at a saving to the budget over the forward estimates of \$120 million. So what did the government do? Just before this election it said to the small business sector, 'Don't worry, we're going to have a great new payroll tax reform.' The only problem is it is only \$11 million. So the government took away \$120 million and it is going to get back \$11 million a year. Permanently? No, it is just a temporary measure for two years. Well, don't worry, the small business sector is not going to fall for it. There is no way they will be falling for that one again.

The Liberal Party will elevate the small business sector to its rightful place as the core driver of our economy here in South Australia. We have already announced policies in this area. We have said that we will pay our bills on time. This government's payment history is absolutely appalling. Over the last two years it has paid in excess of \$2½ billion late, and this puts a massive pressure on the small business sector and the wider business sector here in South Australia. It consumes working capital that could be used to grow those businesses and, of course, it increases their costs. It makes it harder for them as a business to actually pay their suppliers and to pay their employees. It puts a huge amount of pressure on them and we say it is completely unacceptable.

Of course, when we announced this policy, we had the government coming out and saying, 'They just stole that off of us. We were just about to announce that.' Well, we are still waiting. We still have not had the government's announcement on that one. In addition to that, we have said that we will introduce a regular repeals day here in the parliament. I can see the Attorney-General is already smiling because he knows it is a good idea. We are going to be able to get rid of obsolete and outdated regulations, legislation and, of course, consolidate and simplify the regulations so that we can get off the back of the productive component of the economy so that we can grow the economy.

Of course, there are many more things that we will be announcing in the lead-up to the next election and I am working very closely with the shadow treasurer (who is also the shadow minister for small business) on a range and exciting offer for this sector. It will focus on a number of key elements, including, but not limited to reducing regulatory costs on the small business sector, improving access to state government procurement contracts—and what a debacle that has been under this government—a focus on reducing costs that are within the control of this state government and an exciting framework to back improved business start-ups and acceleration. We will not forget this sector.

In addition to our policies that we have released that will relate specifically to the small business sector, we have already announced a number of other core policies that will advantage not only the small business sector, but the wider business community. The most important of these, of course, is Infrastructure SA. We have said that if we are elected in March next year we will establish an independent statutory authority to do a robust cost-benefit analysis of each of the projects that we look at in this state. This is something which has been sorely missing from this government over an extended period of time.

You only have to look at the debacle which was the doubling of the desal plant. The commonwealth Auditor-General took a look at that project and what did he say? He said there was no business case whatsoever for the doubling of that plant—\$800 million that could have been spent on the highest priority, the highest return projects in this state, if only the government had done some work. The commonwealth Auditor-General said there was no business case, that no robust cost-benefit analysis was done and, in fact, Infrastructure Australia recommended against it,

but he did not care. The government did not care. It decided to spend \$800 million on a project which, quite simply, did not stack up. Well, that will not happen under the Liberal government.

This is a major reform where we want to concentrate our capital spend on the highest priority, the highest return projects. Imagine this state if we had Infrastructure SA in place over the last 11 years. I put it to you that we would have lower debt in this state, we would have more productive infrastructure and our economy in South Australia would be growing because of that productive infrastructure.

I have also announced that we will establish an auto industry task force. Not only will we establish an auto industry task force but we have invited the government to do the same thing immediately. Other states have already done this. We need to work and move towards a more bipartisan approach in terms of industry development. We can fight about education and we can fight about law and order and health, but economic development is something that affects every single person and it affects the future prosperity of our state, and we need to work and move to a more bipartisan approach. The auto sector, the manufacturing sector, the workers at Holden's, are too important to play politics. We again invite the government to join with us in a cross-party auto industry task force.

The other major announcement we have already made is about the car park tax, to which I have already referred. The government is out there spreading this line about creating city vibrancy. It is hard to go past four or five entries on Twitter without one of them telling you that they are at a small bar. I do not know when they get the time to do any work—they are always at small bars or painting blue lines on the street. But when it comes to the real issues, what does the government do? It introduces a tax that will discourage people from going into the CBD.

Today I want to turn our attention to the issue of productivity. It is interesting when we look at the most recent ABS statistics in terms of productivity on a state-by-state comparison. In his most recent article on this issue, Professor Blandy makes the point that:

South Australia's labour productivity is more than 10 per cent lower than the rest of Australia in the following sectors: mining, construction, retail trade, accommodation, cafes and restaurants, finance and insurance, property and business services, cultural and recreational services, and other services. South Australia's labour productivity is about the same as in the rest of Australia in the remaining sectors, including manufacturing, but overall South Australia's labour productivity is about 14 per cent less than Australia's as a whole.

South Australia is getting left further and further behind. Naturally we must look to help businesses improve their productivity, and I have announced some of those things already today, but government must not just preach. Government needs to focus on its own efforts in terms of improving productivity in its own sphere. Improving productivity is about maximising outputs with finite inputs. It is about recognising that the solution to every problem is not necessarily new spending and it is not necessarily introducing a new tax. It is about working smarter. That is what we need in government.

The public sector under Labor is not performing at its optimum. We have been listening to the public sector. We hear their concerns about the government, and we will be responding. They tell us that the public sector has become highly politicised under Labor. Senior appointments are routinely made not on merit but as a reward for political loyalty. They tell us that senior management has changed the orientation of the public away from serving the people, away from serving the public, to serving the minister of the day, towards serving the government of the day. That has diminished our Public Service.

They say that ministerial minders and press secretaries are now directing departments. They tell us that key work is taken away from the department and given to external consultants and contractors at huge cost to the departments and at huge cost to our state. They tell us that departments are being stripped of capability, that decisions are being poorly informed, and the wrong decisions are being made. They tell us that an overwhelming culture of complete risk intolerance is emerging in our state Public Service.

Ministers are scared to make decisions. They are worried about getting into the media, so what do they do? They do not make any decisions. Even the smallest error they are so concerned about. Decision-making is slow; it is not based on a rigorous cost-benefit analysis. The government's risk intolerance slows decisions, grinds decision-making to a halt and also significantly increases the costs of the public sector here in South Australia. But, most importantly, it stifles creativity, it stifles innovation. Quite simply, we are falling further behind.

There has been a major focus in the media in recent times on the size of the Public Service. The government has announced plans to shed approximately 5,000 positions in South Australia. But these are the same positions that the government has created over its terms in government. The government has put on these additional employees at great cost to the taxpayer, and now it will remove these positions from the Public Service at great cost to the people of South Australia. These cuts will also have a massive effect not only on our budget but on the public servants themselves. In trying to deflect attention from its own public sector cuts, the government has set off on a massive scare campaign.

I stated on day one of becoming the Leader of the Opposition that I would not be taking the axe to the Public Service here in South Australia. I said that I thought that the public sector was in fact the greatest asset in our state government. I come from the private sector. Let me just say this: no private sector organisation says, 'The problem with my organisation is the people who work for me.' People in the private sector realise that their greatest asset is the people who work for them; but not this government, whose mindset is stuck in some sort of 1960s IR cost-control mentality. It does not realise the asset that it has. It is not putting in any effort and it is not getting the result that it needs.

The problem with South Australia is not the Public Service. The problem with South Australia is the government of the day. I completely and unequivocally rule out massive cuts to our public sector. The claims that South Australian Liberals are going to cut 20,000 or 25,000 people from the public sector are completely and utterly incorrect. Whilst it is impossible to put a final number on the Public Service today, we will be making that final number clear to the people of South Australia before we go to the next election. I genuinely do not believe that our final number will be significantly different from what the government has announced, but we are genuinely not in a position to put a final number on that this far out from the election, when we have no clear picture of what the state budget is going to look like at the time we go to the election.

Members interjecting:

Mr MARSHALL: Yes, we have had an update. We have had an update, and what it showed was the complete deterioration in what we were promised a year ago. In fact, the budget deficit has blown out by more than \$300 million since just the Mid-Year Budget Review. That is the situation which we find ourselves in here in South Australia, so it would be wrong—it would lack credibility, it would lack rigour—for me to put a number on that, but people will have plenty of time to consider our position in the lead-up to the next election.

We have previously stated that we will create an audit commission if we are elected to government in March of next year and today I announce a new approach, an approach which will deliver better outcomes for the Public Service and an approach which will deliver better outcomes for the people of South Australia. To bring the state budget back into balance, the government is announcing a range of drastic cuts to services. What we want in South Australia, what we need in South Australia, is reform, not cuts—reformed departments so that the public is not disadvantaged by the cuts that the government will be making.

Today I announce that the public sector productivity will form a major focus for a Liberal team if we are elected in March next year. This is an area where the government has performed particularly poorly in the past, and this continues in this state budget. Just look at its announcement regarding savings: this year it is going to be 1 per cent; next year it is going to be 2 per cent; the year after it is going to be 3 per cent. This is the cookie cutter approach to government savings. It takes no account of where the actual waste lies. It takes no account of where the opportunities to grow a section actually lie.

Why should every department have exactly the same savings target? Why should one department, which might have wastage of 6 or 7 per cent, only be tasked with the responsibility of finding 1 or 2 per cent, while another department, which is really struggling to deliver on behalf of the people of South Australia and which has a contribution to make to improving our productive capacity as a state, has its budget slashed because this government has no sophisticated method of determining where the opportunity for reform actually is?

We need a new paradigm based upon real productivity improvements. Today I announce that if elected next March the Liberal Party would immediately set about the task of establishing a state-based productivity commission. This would be modelled on the federal commission, which of course has long been supported by both the Labor Party and the Liberal Party. It has been supported because it is a good model. It will become an independent research and advisory body

on a range of economic, social and environmental issues affecting the welfare of all South Australians.

We envisage that this commission would provide the government with high-level independent advice on a range of sectors in our economy. It would look at the sectors of mining, manufacturing and defence. It will look, importantly, at how we can get more out of our regions and our small business sector, food and fishing, tourism, and a range of sectors which have been long neglected by a government which has an ineffective, inefficient way of working with the private sector.

We also envisage that it will report and advise on areas where government performance affects business. In particular here, of course, I talk about our hopeless WorkCover system and our hopeless and ever-increasing red tape system under government. The first term of reference will be to conduct an independent review of our state finances ahead of our first budget. This new commission will play a major role in helping the government determine the best way to improve public sector productivity. What we promise is a focus on productivity and on reforming government to serve the people of South Australia. Our approach will not be simply setting a savings target for a department on a cookie cutter approach but by providing government with high-level advice on reform to maximise our outputs. What we want is reform, not cuts.

I also announce today that an incoming Liberal government would focus on a more connected, simplified government structure. What do we have today? We have 43 separate ministries. We have 15 separate departments. We have untold numbers of different agencies. In one situation, we have one chief executive reporting to five separate ministers. It is a completely disconnected, disorganised structure and it needs to be changed. We have already made changes within the shadow ministry. We have reduced the size of our shadow ministry, and this is working extremely well. We envisage that we will be moving to a smaller number of government departments and agencies and creating clusters around specific interest groups. This is an important reform.

We need to get this state going again. Eleven years of a Labor government have not been kind to the people of South Australia. We now languish at the bottom of the league table in terms of Australia. Well, quite frankly, it is not good enough. It is not good enough, and it is completely and utterly unacceptable. People say to me, 'There's not a lot of difference between left and right; there's not a lot of difference between Labor and Liberal.' Let me tell you that there could not be a bigger, starker difference between what the Premier stands for and what I stand for, what the ALP stands for and what the opposition stands for—absolutely it is black and white.

The Labor government is focused on more spending, more deficits, more debt, slower growth and our kids moving interstate or overseas because they do not have a future here in South Australia. Under a Liberal government, we will have a focus, first and foremost, on getting our economy moving, getting a more productive public sector, getting off the back of business and, of course, creating a future for our next generation. The government's strategy is very clear. It wants to have a government-spending led recovery in our economy. Well, guess what? They have had that position for an extended number of years and it is not working. South Australia is at the bottom of the pack and we are going backwards. We have had a 3.75 per cent contraction in our domestic economy for the first three quarters of this year. It is not working.

By contrast, the Liberal Party knows that to get our state going we have to get off the back of the productive component of our economy, we have to cut them a break and support them in every way possible. That is my commitment if I become premier next March. We are going to get the state going, not through increased spending and increased debt but by a focus on getting off the back of the productive sector and getting our business community moving.

The Hon. I.F. EVANS (Davenport) (11:44): Let me congratulate the Leader of the Opposition on an excellent budget reply speech, setting out the next steps in the vision of the future Liberal government of how we would structure the state and, in particular, address the productivity issues in this state. I think the idea of a productivity commission for South Australia is an excellent initiative. It will get people talking about the real issue, and that is why South Australia is less productive than the other states in Australia.

It is time to reflect on this budget—the last full budget before the state election. The state finances were bad when we had a full-time treasurer and they have become worse with a part-time treasurer. After 11 years of this government, what do we have? We have the largest debt in the state's history, the largest deficit in the state's history and the worst credit rating in Australia. At the

same time, the government is collecting the highest taxes in Australia and the highest WorkCover levy in Australia, and South Australians are suffering a high cost of living compared to the rest of Australia.

When independent economic commentators looked at this budget, they looked at that question and asked, 'How can a state with the highest taxes in Australia, the highest WorkCover levy in Australia and the highest cost of living in Australia end up delivering the highest budget deficit in its history and the highest debt in its history?' What did the independent commentators say? This is not the opposition: this is the independent commentators.

The *Financial Review* said that the Treasurer was 'like his counterparts, [chasing] rainbows into the forward estimates courtesy of optimistic rebounds in revenue and promises of cost cutting'. *The Australian* editorial put it bluntly. It said, 'Truth be known, after almost a dozen years of Labor government, South Australia has squandered its opportunities to reset the state economy.' That goes to the very question of why the leader has announced a South Australian productivity commission. It is about this government having wasted what will be 12 years to reset the economy. A productivity commission will be a good tool for this state to create the debate and set the scene for how we can reset the South Australian economy.

Perhaps the most telling comment of all was from Judith Sloan, economic commentator—formerly of Flinders University, now in Melbourne—who, at the end of her analysis on the South Australian budget, simply posed the question, 'Can Australia afford two Tasmanias?' That is how she characterised South Australia's performance under this particular Labor government. You need to look at this budget in the context of what was promised, and the point about this budget and this government is that you simply cannot believe what they say.

There is hardly a promise they have made that they have not broken. Just go back to the 2010 election. The then treasurer, Mr Foley—and he was two treasurers ago—came out on behalf of the South Australian Labor Party and told the South Australian public that, going into the 2010 election, all the government had to do was find \$750 million worth of savings over the forward estimates and, if they kept public sector wages to a 2.5 per cent increase, most of that would come from that particular measure. All they had to do was find \$750 million worth of savings and they would be returning surpluses.

That was what was promised back in 2010. Now we know that this government is cutting \$949 million out of health, \$250 million out of education and \$150 million out of police. They have announced something like \$3 billion worth of savings measures over a period of budgets. Go back to what you were told before the election and ask yourself this: now they are telling you this before this election, why would you believe it?

Why would you believe that you are going to go from the highest deficit in history—a \$1,300 million dollar overspend just this year? Why does anyone think that in three or four years' time there is going to be this miraculous recovery to a \$661 million surplus—a \$2 billion turnaround in a matter of three or four years? Why would anyone believe that, given the performance of this government on making announcements and then breaking them?

I just say to the South Australian public and those who follow politics: go back to Mr Foley's statement. Go back to his statement before the last election and ask yourself why you would believe any promise this government made after they went to the last election making enormous promises, which have all been broken. You only have to go back to the interim treasurer—the now Minister for Health. We had Mr Foley; he got dumped. We had the Minister for Health; he got dumped as treasurer and now we have got the Premier. But let us just go back to last year's budget and the opening of the last year's budget:

South Australia will be a very different place in a few years...

The expanded Olympic Dam mine—the largest open pit mine in the world—will be operating...

They could not deliver that deal. We accept there were lots of pressure points about that bill, but this government came into the parliament and said 'It is all happening.' The budget was built on it. They sent a very strong message to the business community that it was a done and dusted deal. They oversold it. They could not deliver on the promise. They built into their budget all of the employment statistics, all of the payroll tax growth, all of the revenue measures they promised on the back of that deal, and it fell through. You cannot believe a single thing this government says about the budget. They will promise one thing before the election and cancel it just after.

This Treasurer—the current Premier—is now the third Treasurer. This Premier is just like Treasurer Swan. They keep on promising surpluses and keep on delivering deficits. Just have a look at the record. Just have a look at the most recent three or four years.

Go to the 2011-12 year. They promised a \$424 million surplus; they delivered a \$258 million deficit—that is around a \$670 million difference. Go to this year—the 2012-13 year that is just finishing. They promised a \$304 million surplus; they are delivering a \$1,300 million deficit—that is a \$1,600 million difference, just in this year. This is the same Treasurer who says, 'Don't worry about it. In three years' time, we are going to have a \$661 million surplus.' Why would you believe it? It is farcical for anyone to think you could believe that.

Then you go to the 2013-14 year. They promised a \$480 million surplus; they are predicting a \$911 million deficit—that is a \$1,400 million turnaround. In the year after, they originally predicted a \$840 million surplus; they are now predicting a \$431 million deficit. Add those together—a \$1,600 million difference, a \$1,400 million difference, a \$1,300 million difference—and you are talking well north of a \$3 billion error or miscalculation or downgrade in those particular surpluses.

Why would anyone believe this government when they say they are going to get the budget back into surplus by \$661 million in a few years' time? Of course, built into those figures is their capacity to cut \$950 million, in round numbers, out of health, \$250 million out of education and \$150 million out of police—that is already built into those figures. If they cannot deliver on that, then, of course, those future surpluses will actually get worse.

The Leader of the Opposition is quite right when he says the problem with this government is they cannot control their expenditure. Having budgeted for expenditure, what is their result? Just look at this year alone. This year alone, this government, in the financial year we are just about to finish in a couple of weeks' time, are predicting to overspend by \$626 million—a \$626 million overspend just in this year.

To put that into a mental picture, they have overspent an Adelaide Oval redevelopment right there, just in this year. The \$626 million is the Adelaide Oval redevelopment, and they have overspent that in this year. So, the Treasurer-cum-Premier is running around the state of South Australia saying, 'Woe is me, the revenues have dropped.' As the Leader of the Opposition said, 'Have a look at the revenue figures. They are actually going up.' But have a look at what they have done on the expenditure side. They cannot manage money. How do you overspend by \$626 million in one year? But they have not done it in one year; this is a habit for this government. Go back to the 2009-10 year, and they overspent by \$599 million. Go back to the year before that, the 2008-09 year, and they overspent by \$670 million.

Do you know who is paying for this, Mr Speaker? It is all those parents out there and all those small businesses out there, all those families out there that are getting hit with the highest taxes in Australia, the highest cost of living in Australia. They are the ones who are paying for this over expenditure. That is why the cost of living is so high. When the government overspends by \$623 million they go to households and charge them more in rates and taxes, driver's licences, speeding fines, and to the business community for payroll tax, land tax, stamp duties. That is why we have very high taxes in South Australia and a very high cost of living. The lack of control of the government's expenditure becomes a problem.

This government has run six deficits in seven years. In that seven-year period they have overspent—just on the operational side of the budget—by over \$3,000 million, or \$3 billion. Let us put that in perspective: \$3,000 million is five Adelaide Oval projects. This government has overspent, just on the operational side, on running their departments—this is not capital works, this is not South Road or the desal plant or other capital works, this is just on the operational side of the department—and has run its budget deficits to the tune of \$3,000 million, or five Adelaide Oval projects.

The only time they got a surplus was back in 2009-10, the election year, and the only way they could get a surplus that year was because they got \$2 billion extra in revenue—an extra \$1 billion dollars from the commonwealth government. They got over \$1 billion extra from the commonwealth government, and even then they could only produce a \$187 million surplus.

What they want us to believe—and this is why the *Financial Review* said they were chasing rainbows—is that they are going to go from the biggest deficit in the state's history to the second biggest deficit in the state's history and then, within three years, be at the biggest surplus in the

historical record of this budget. It goes back 19 years and records every surplus for 19 years. If we look way back for 19 years we cannot see a surplus that is more than \$661 million. This government wants us to believe that it is going to go from the worst deficit in history to the second worst deficit in history and then to the highest surplus recorded in the budget historical document, in 19 years. They think they are going to turn that around, and they want us to believe it.

This is exactly what Wayne Swan did: promise surpluses, deliver deficits, and then have these miraculous revenue figures that build a surplus some way off in the future, saying 'Trust me.' Well, the reality is do not look at what they are promising, have look at what they have delivered. What they have delivered to South Australia is higher taxes, a higher cost of living, the biggest deficit and biggest debt in history.

Let us have a look at how South Australia is going against other states. If we look at the other states and how they compare to South Australia, South Australia has a bigger deficit than New South Wales, Tasmania, Victoria and Western Australia combined. Add their budget performance together: New South Wales, Tasmania, Victoria and Western Australia combined have a lower deficit than South Australia in this year, 2012-13, 2013-14 and 2014-15. The problem with that is this: they have 16 million people to deal with that deficit, and we have 1.7 million people. So the deficit ask on South Australians, ultimately, the job, is 10 times harder for South Australia. That gives us some context in regard to where we are with the deficit.

Let's put the debt in some perspective. This government has delivered one surplus in recent history. It was in the 2009-10 year, which was the election year, and it was \$187 million. They are budgeting, of course, for the debt to go to \$13.75 billion in round numbers, so a touch under \$14 billion. It is the highest debt in the state's history. What does that mean? It means this: if they could reproduce the \$187 million surplus—if they could reproduce it, and they have only ever done it once in recent times—it would take them 73 years of surpluses to pay off the debt. If they could reproduce that surplus every year it would take 73 years to pay off the debt. That is assuming that they do not spend it on anything else and that there is no other expenditure pressure, of course. If they could reproduce the \$187 million surplus it would be 73 years.

To put it in layman's terms, for those on the street, this Saturday there is a X-Lotto draw and I have bought a ticket, and it is for \$4 million. To pay off the state debt, someone would have to win the \$4 million X-Lotto every week for 66 years. That gives you an idea of how much debt the government has got us into. The leader touched on the interest payments—\$952 million a year in interest, which is what it is growing to. That will be more than our police budget. The police budget in that year will be around \$867 million and the interest will be around \$952 million.

Our interest payments at that point will be \$108,000 an hour. It will be \$108,000 an hour just in interest payments. These are staggering numbers. You really have to ask how and why South Australia is in that position. As the Auditor-General said about the health accounts, it is poor management, and that is exactly right. This government keeps on promising but they cannot deliver, and it is because they cannot manage money. They simply cannot manage money.

The debt, of course, is going up to \$13.75 billion, so the government said, 'What we'll do is introduce a debt cap.' When they introduced it, they said that they would introduce a cap on government borrowing that would never exceed half our annual revenues. Well, guess what? Within 12 months the debt cap was broken. That promise did not last 12 months. Already that debt cap has been broken. The target was set at 50 per cent and it is now predicted to be 54 per cent of revenues.

This government deliberately went out and trashed the AAA credit rating. The state—the business community and governments of both colours—worked very hard for 12 years to get back the AAA credit rating after the Labor Party lost it in the State Bank disaster of 1992. Having got it back in 12 years, this government, as the Premier said, went out and deliberately made decisions to lose the AAA credit rating. South Australia now has the worst credit rating in Australia. Even Tasmania has a better credit rating than South Australia, and that is an independent assessment of the strength of the budget and the amount of political will within cabinet to deal with the financial issues.

When Kevin Foley was trying to get back the AAA credit rating he said it was all about investment and jobs, and when Premier Weatherill said he was going to trash the AAA credit rating he said it was all about jobs. Let's be frank: the reality is that, under this government, since the 2010 election where they made a promise to increase jobs by 100,000, they have borrowed \$5 billion extra and they have created about 21,000 jobs. In other words, we are borrowing as a

state \$234,000 for every job they create. For every job they create we are borrowing \$234,000. So, we are borrowing \$234,000 to create \$85,000 or \$90,000-salaried jobs. Work it out for yourself: how long can you do that?

The brutal reality is this: this government is going to promise everything before the election. You have to ask yourself one simple question: why would you believe it? I can remember that Adelaide Oval was going to be \$450 million and not a cent more, and it is north of \$600 million. The Royal Adelaide Hospital was going to be \$1.7 billion and it is adding \$2.8 billion to the debt. The problem with this government is very, very simple: you just cannot believe them and you just cannot trust them.

Mr HAMILTON-SMITH (Waite) (12:05): Well may we be proud of our democracy; well may we be proud of responsible government. Sadly, as we see this budget in these closing years of this failed Labor government, we look back on what can only be described as irresponsible government. Gone are the grand and lofty ideals of the founding fathers of this state and this nation, who built everything that we have. Beset we are with a government both in this state and federally that have done nothing but squander the wealth of the nation and of the state, that are interested in nothing more than their own survival, that are not investing the taxpayers' money in the future of our children and grandchildren but in nothing more than their own re-election.

This is a budget which is about getting the government re-elected. It is not a budget that is thinking about our children's jobs and our grandchildren's future. It is squandering all that has been built up over recent decades and simply throwing it away. The leader and the shadow treasurer have done a very good job of explaining the mess that this government has created in dollar terms, debt terms and deficit terms, and I do not intend to go over that, but I intend to make some simple points. That is, a government has a responsibility to the people who elect it to think to the future.

Sadly, there is a dynamic that has developed in Australian policy which sees Labor governments come into office and deliver ruin, which sees Labor governments come into office and take massive surpluses, squander them, tax the public and the productive sector of the economy into oblivion, waste the money, and which invariably leave office leaving nothing but wreckage in their wake. Then the story goes: a conservative government comes in and has to fix the mess.

We have been through this before, this cycle, many times in South Australia. We saw it with the State Bank. Labor bankrupted the state. It took eight years to put it back on its feet. As soon as the patient was resuscitated, the people of South Australia again elected in 2002 this rotten government. And what have they done over the last 11 to 12 years? Repeat the entire cycle. Gone are the surpluses, restored is the debt, back are the deficits. And what we have to show for it? As they skulk from office, hopefully, next March, as they vanish down their burrows they will leave behind nothing but a mess for the government that is formed after March 2014 to fix.

We have seen it all before, and the same story is unfolding in Canberra. We have got two civil wars going on: Syria and the federal Labor Party in Canberra, and they both seem as bloodthirsty as one another. The net result is that lost in it all is the future. Labor in Canberra and Labor in Adelaide are simply delivering what Labor delivers, which is ruin. It has been 11 years of wasted opportunity. During those good years we could have built up surpluses that could have paid for a new hospital, that could have paid for South Road investments, that could have paid for the electrification of rail. Instead, those surpluses were squandered and there is nothing to show for it. So we have had to borrow to do things that South Australians might rightly have expected to have been paid for from their hard-paid taxes through surpluses.

This government under its current Premier has stepped away from the policies of the previous premier and the previous treasurer. At least the previous premier, the former member for Ramsay, and the previous treasurer, the former member for Port Adelaide, remembered the State Bank. They understood that Labor's Achilles heel was its financial mismanagement, its debt, and the wreckage it left after the State Bank.

Under the premiership of the current Premier, the strategy has changed, and it is quite a cynical strategy. It is one of emptying the bank, spending all that is there in the way of deposits and surpluses, but going further: going out to borrow and build up debt to promise things for an election so that there is nothing left in the kitty should they lose. They are basically betting it all in the hope that, if they cut enough ribbons between now and March, they will be re-elected. Then they will sort out the mess, they argue, after March.

Of course, they will be leaving nothing but a burnt landscape behind them should government change in March. In that respect, they are not thinking about the future of our children

and our grandchildren, and they will stand condemned for it. Under this Premier, who is also Treasurer, it has been a budget strategy of running up debt, increasing deficit and leaving nothing behind after March 2014. As I have said, they have bet it all.

Let's look at the quality of some of the decisions the government has been making. First of all, there is the question addressed by the Leader of the Opposition about productivity. In the time of the life of this government, the last 11 years, our productivity has headed south; our industrial relations have become rigid and less productive, and businesses have suffered as a consequence; capital costs have risen; infrastructure is either not being built or has become so expensive that it is now project-cost prohibitive; and we have gone from being one of the lowest-taxed states in the country to the highest-taxed state in the country. At the same time, a federal Labor government has been making crushing decisions that have added to those problems.

Our productivity in the 11 years of state Labor has deteriorated to the point now that it has affected projects such as Roxby Downs and the Olympic Dam expansion and the Arrium development in Whyalla—you name it, projects everywhere. We have Holden today making stunning announcements, calling on the workforce to reduce their remuneration in order to survive. We have Nyrstar on the ropes and a package of support measures taking shape. We have all sorts of problems, small businesses closing everywhere, because our productivity is headed south; our competitiveness as a state is no longer there. Under this government, that is what has been delivered.

A lack of productivity stands as one of the poorest of decision-making outcomes in the life of this government, but there are others. Look at the hospital, the hospital we never needed to have—far more expensive, billions of dollars more expensive over the 30 or 35 years that it will be paid off, than having rebuilt the hospital where it is in its current location at the existing RAH site. Now what we are finding, as predicted by the opposition, is that all sorts of other investments are now having to be made to accommodate that flawed decision: the medical school has relocated, and now we have the AMA coming out and saying that we should now relocate the Women's and Children's Hospital.

We have moved an effective and working health precinct around Frome Road to a new location, and now we are having to invest hundreds of millions of dollars more to accommodate that decision—hundreds of millions of dollars that might have been better spent on better health outcomes or other improved outcomes across the economy. It is a fatally flawed decision, and one of many.

Of all the infrastructure challenges we had before us 11 years ago to make the economy more productive, did we really need trams to be one of the first priorities? Did we really need rail electrification for passengers to be the first priority? Did we really need the South Road Superway in its current location to be the first priority for the upgrade of South Road and for the building of productive infrastructure?

I put to you that, if you had something such as the opposition is going to create, Infrastructure SA, something that could competently and properly plan what our infrastructure needs are and fund them appropriately, projects such as moving the hospital, rail electrification, trams and the South Road Superway would not have been the top priorities. What might have been—

The Hon. J.D. Hill interjecting:

Mr HAMILTON-SMITH: Well, what might have been top priorities might have been things that make the economy more productive—says, the former minister for health, the bloke who on the back of an envelope with a former head of the AMA sunk this government by committing it to a new hospital which will waste over \$13 billion in the life of repayments because of his own egotistical stupidity. He could have left the hospital where it was; that was the plan. Honestly, that bloke, the ex-minister, the member for Kaurana, will go down in history as the fellow who sunk a torpedo amidships of this government with his stupid new Royal Adelaide Hospital.

There he is, the member for Kaurana. He will be gone soon but his legacy will be paid off by our grandchildren and, as a result of his decision, roads will not be built in the regions, a port will not be built on the west coast, various productive infrastructure investments will not be made, because we will be busily paying for his silly hospital—the hospital no-one wanted but him and that no-one needed—that will drain millions, in fact billions, out of the health budget for years to come. Long may he squeak.

Let's have some more, member for Kaurua. You are the bloke who did it. You convinced your cabinet colleagues and aren't they now sorry about it! Wouldn't they now wish that that commitment was not on the books of account. You did it; that is your legacy. I am sure it will be a nice hospital but it will be a hospital, as has been proven, this state could not afford and did not need—a complete and utter waste. It is your legacy.

There are so many flawed infrastructure decisions that this government has made. Whether or not the government has noticed, this economy faces some challenges. As I mentioned a moment ago, the CEO of Holden is out at Elizabeth this afternoon asking the workforce to take very significant pay cuts in order to keep the business alive. On the watch of this government, we have lost Mitsubishi and other major manufacturers, and we now have Holden at risk. This opposition is strongly and steadfastly standing beside Holden—and I will have more to say about that later in the week—unlike this government which, on its watch, has allowed it to come to this.

As well as that, we have Nyrstar up in Port Pirie facing a very serious challenge, and board decisions that will be made in February will determine whether Port Pirie and Nyrstar have a future. We have also had prevarication and delay on naval shipbuilding such that we still do not know what is happening with submarines and naval shipbuilding more completely. We have not even had the agreement on the River Murray yet signed off by all governments involved in the negotiation of the agreement that Labor claims to have created.

There are some very serious challenges facing this state. That is why it is so disappointing to see a budget with not an ounce of vision. What this budget needed to do was invest in growing the economy because if you grow the size of the economy, if you grow the size of the cake, then you will generate the revenues that we need to deliver better services. What is in there for exports? What is in there for economic transformation? What is in there in a meaningful way for infrastructure, ports, roads in the regions? What is in there for ring roads around the city of Adelaide? What is in there to complete the task of upgrading the north-south axis through the city? What is in there for a further vision for the metropolitan area and city west? The answer is: virtually nothing. In fact, they have cut money significantly.

The budget for regional development and primary industries will spend \$79.7 million this year. We spent \$97.6 million last year. It is a staggering reduction in investment in our regions. Grants will be cut right across the board. Funding of food and our productive regional economy has been slashed, and it does not end there. When you look into the fine print of the budget, you find that last year Labor spent \$88.2 million on mining, and this has been cut to \$81.3 million in the year ahead—a reduction of nearly \$7 million.

So, the budget is out there, saying, 'Oh, we are going to do this little thing, and we are going to do that little thing,' but when you look at the budget overall, in food and mining, as I have just mentioned, there is an overall reduction of expenditure—an overall disinvestment. These two areas of the productive economy—primary production, value-adding to food; and minerals, petroleum and gas, which is the area that we are touting as the future—the government, in this budget, has disinvested.

Savings initiatives will see \$2.3 million in geosciences surveys cut by another \$1.6 million, and \$1.2 million will be axed from the PACE program. So, the rhetoric does not match the actual performance in this budget. In manufacturing, innovation and trade, again there is a disinvestment. Last year, we spent \$94.2 million in this portfolio area; this year, it is \$82.4 million, which is \$12 million less.

We can explore all of this in budget estimates, but you cannot go out and say that you are talking about reinventing the economy and you want to grow primary production, minerals, gas and petroleum, manufacturing, innovation and trade, and then disinvest from those sectors of the budget and pull money out. Instead, what this government has decided to do again is spread the money around the services—all of which is welcome; we love to see money spent on services. But, you have to have the revenue coming in.

Ask anyone who runs a business: you have got to have money coming in and money going out. When the money coming in does not match the money going out, you are running a deficit—you are running up debt—and that is what we are doing. So, you have dished out more money on services, but you have not got the money coming in, because you are not investing in the economy.

In this budget, you needed to be investing in food production; that means infrastructure and other investments in the regions. You needed to be investing in helping mining to continue to grow;

it is facing challenges. You needed to be investing in tourism, not only in the city, but in the regions. You also needed to be investing in services exports. Services is a productive sector of the economy, particularly sectors such as education and health where, in a number of areas, we can actually export our goods, products and services. But you are not investing in those areas. And you needed to be investing in a smarter economy, so that we can manage this transformation into the future, so that we can grow the economy and so that we can generate the revenues we need to delivery better services. But you have not done that; you have not done that at all.

I just want to congratulate the Leader of the Opposition for his address today. The opposition has confirmed a number of sound policy announcements that is has made, and has added value by indicating three new directions: first of all, the need for a productivity commission—

Members interjecting:

Mr HAMILTON-SMITH: —because we need to fix the mess that you have created. You have made it one of the most unproductive economies in the country; we are going to fix that. A productivity commission will cut the waste—your waste—on consultants, and actually point us in the right direction.

The Leader of the Opposition has also signalled that we will not be taking the axe to the public sector, and he has signalled that any changes we might make are unlikely to be very different to those already announced by the government, if you listen to his address. But, we will see what sort of a mess we are in after Christmas.

Members interjecting:

Mr HAMILTON-SMITH: You have already gone hundreds of millions of dollars south just in the last six months to a year; we will see how bad it is then. He has also pointed to the need for significant reshaping and restructuring of the Public Service to make it more efficient, so we do not have stupid situations like one CEO reporting to five ministers, so we don't get stupid decisions as we got from the member for Kaurua, like building a new hospital we never ever needed, so that his colleagues and future governments can pay it off for the next 30 years.

The Hon. J.D. Hill interjecting:

Mr HAMILTON-SMITH: If he wants to chirp in, I am happy to respond. Mr Deputy Speaker, it is a very disappointing budget for our children; it is a very disappointing budget for our grandchildren. It is a budget that does not invest in the economy; it is a budget that simply ratchets up debt and deficit and borrows for the future. It is a very poor effort after 11 years.

Mr GRIFFITHS (Goyder) (12:25): As I understand it, South Australia has had some level of self-government for about 156 years or thereabouts. There are probably about 800 people who have been honoured to come into this room with an opportunity to have an influence on the future of the state, to make laws, put budgets in place, set priorities, determine where infrastructure will go and what level of services there are going to be.

As a person who had always been an outsider looking at politics, when I was asked if there was a level of interest in running one day, I was automatically excited by that, because I wanted to be a decision-maker. I wanted to be a person who could come in here and represent their community, to espouse the needs of the area for which they were honoured to be elected, and a person who could equally have an opportunity to influence the future of the state.

For me, it is not an ego opportunity but an opportunity to use the skills that I have learnt in my life, the people I know and the issues that I know about in my area, the things I have read about and learnt and spent a lifetime building up an intellectual capacity to understand, and to come in here and make a difference. That is what we are all here for: to make a difference.

It is interesting to see the level of diversity and the debates that occur across the chamber. One side holds one position and the other side argues against that and we put counterviews forward. There are a lot of arguments from time to time, but quite often there is a level of bipartisan support in particular instances, and that is how the parliament should run. The budget, obviously, is a bit of a different situation. It is a chance for both sides to stand up and talk about their vision for the future or to critique and level concerns in certain areas and put forward alternative visions.

The debate might take a while, but it is important, because when this sort of debate is reviewed by people out in the electorate at every level of society it will inform decisions about who they want to actually be in charge for the next four years, and beyond that, too. It is important that we get it absolutely right.

I came in here with my eyes open. I have to say that. I had worked in local government for a long time, with acts of parliament, and I had to have negotiations with different levels of bureaucracy and on occasion with ministers. I had represented a decision-making body. I had attended and spoken at public meetings and had been criticised, and congratulated on some occasions. So I know it is not an easy role, but it is one that demands the absolute best of people, and that is why the parliament has to be made up of people who want to make a difference.

In the seven and a bit years that I have been here, I have been frustrated about the level of financial control that has been in place. As a person who worked within an area where budgets had to be set, you had to consider the capacity of the community to pay and you had to look at what the community's needs in services and infrastructure were, but you had to ensure that you met your budgets. That is why the Leader of the Opposition, the shadow treasurer and the member for Waite—not just now, but on previous occasions—have espoused the frustration felt by people like me. I am symptomatic of the wider cross-section of the community who believe that budget control should be there.

It is not until you hear about the level of expenditure overrun that you open your eyes up to what is frustrating. The member for Davenport (the shadow treasurer) talked about over \$600 million in additional expenditure occurring in the current financial year from that which was originally budgeted. That is in a budget figure of a bit under \$16 billion. As a percentage you can sort of accept that, but as a dollar figure it is absolutely disgraceful, because it adds into a level of liability and debt that we as a society are going to be responsible for paying, not just for the next two years, but potentially—when you consider it on the performance in recent years and what the \$14 billion debt will be and the additional liabilities which can push it out to the enormous figure of nearly \$30 billion—it will be a generational cost.

It is for those young people who are excited by their future but, when they start to hear some of the information, they will start to ask questions. It will be the young people who will determine the results of future elections, and they are going to be judging upon what the cost and implications to them are. No matter what party you are a member of or what political beliefs you have, it is important that you espouse those.

I stand here today as a person who is really concerned about the cost of living pressure on ordinary people. In my electorate office, as I travel around the community, I talk to people at events about issues. They raise with me what the real cost is, and for them it is a constant one. It is not just every time the bill comes; these are people that are financially planning. As the Leader of the Opposition talked about, there is an understanding that it costs to receive services and they want those services—there is no doubt about that—but they want to ensure that as an individual, a unit, a family organisation, a business structure or a community group they have the chance to live within their means and that means asking, 'What am I prepared to sacrifice to pay my utilities bills?' It comes down to that.

I have had people on the phone to me crying about the fact that they have a water bill and they cannot pay it. They are concerned about what their next electricity bill is because they know they cannot pay it unless they make some really serious sacrifices in other expenditure. For them, that means in rent, food or a level of fun with their family that they miss out on to ensure that they meet those obligations.

These are good people who have contributed over decades. They are responsible, they want to meet their obligations, they want to contribute to their community and society, but they are worried about what the implications are going to be financially for them when they get their next bill. They try and stretch things out, they try to manage it and they try to live within their fortnightly payments on what they earn, but it is becoming exceptionally hard.

I come in here and see the level of overspend that has occurred for a long time within individual departments that have a ministerial control mechanism sitting up the top. No matter how long that person has been there or what their background is, there is an expectation that they have to meet the budget restrictions put on them as part of an overall state budget within their individual department. When they do not meet that—and consistently do not meet that—that is where accountability should exist, and that is where the community has to stand up and say, 'We are sick of it; we want to see a change. We want to see people in there who understand things, people who can put policies out there and be visionary, and people who actually understand what the day-to-day pressures are upon real South Australians—not necessarily just the high rollers, but the real people who are out there who are good people and who struggle continually.' They want to see a change.

Indeed, I wake up every morning buoyed and strengthened by the fact that there will be a change because it has to happen. When you see the collectiveness of this, that in the last seven financial years, as mentioned by others, there have been deficits (other than the 2009-10 financial year) and the cumulative effect of that is an overspend of about \$5.6 billion, it is just mind boggling. The accountability that should exist within this chamber will be evident within the community's voting preferences in March next year—the day on which everybody is held to account.

There have been a lot of accusations made about what is going to occur within the Public Service. Other members have spoken words which have been misconstrued. The Leader of the Opposition has put it very strongly, though, about his belief, that from a state perspective, the Liberal Party sees the public sector as one of its greatest strengths, and it is a public sector that will be focused on outcomes for people. It will be a public sector that has very important roles to fill but it has to ensure that it is prepared to accept the needs of individuals and business, and it is prepared to put in place policies, rules and laws that will give those businesses and individuals a chance to be successful.

I am so concerned when I hear comments back from community members who talk to me about some people continuing to give no for an answer too easily. We have to open our eyes and look at an opportunity to say yes. Yes, I understand we have to assess what the level of risk might be with that, but what is the opportunity that is also attached to it? There are always two sides to an equation and from a public sector perspective—and it totals nearly 100,000 people with over 80,000 full-time equivalents—it is a major employment group within South Australia. It is important that those people, the same as us and equally across all sectors, wake up thinking about what is the best job they can do today; how they can help people; how they can make things better; how they can make it work; how they can be cost effective; and how they can prove to themselves, primarily more than anything, that they are doing a good job and they are making a difference.

When the Leader of the Opposition talks about the public sector productivity commission that he wants to implement, it is all about improvement opportunity. It is not just a collection of words that make no difference; it is actually a very strong commitment that is going to be made to try to put in place a public sector that controls, implements and influences so many different areas so it is focused on an outcomes opportunity, because that is what it has to be.

I have looked, over previous years, and I have seen the reviews that have been undertaken. It has been a combination of things like the Smith review. There have been full-time equivalent caps put in place on apartments. There has been an audit commissioned from the previous member for Port Adelaide. There have been savings targets by departments. It seems to me that none of them have worked. That is the great frustration to me because there continues to be additional numbers, that is, people and dollars, and it is those two numbers that are actually making it very hard.

It is not the revenue situation, as we have heard from the government. Indeed, as we put it, the revenues have continued to increase and GST revenue has continued to increase, and there is over 3 per cent factored in for this current financial year and future years in growth opportunity in GST, but it is about how expenditure is controlled. That is where I think it is a poor performance over a prolonged period of time that has actually come back and the payback is going to be within about eight months; that is when it is going to count for all of us. It should be better and Steven Marshall, the member for Norwood, and the Liberal Party will do all they can to ensure that it works.

I attended, with a full contingent of probably about 140 people, a post budget breakfast at which the member for Davenport spoke. It was actually a great presentation but it was for a sad story. That is the problem. It emphasised to the collection of people there and to the media players there, who have had the chance to report on it, that the budget can be a collection of wonderful words, and I understand that the Treasurer, when he stands up and speaks for 30 minutes about visions, pushes the positives, but it is not until the reality actually comes up to you that you start to lose some of the truths.

The Leader of the Opposition talked about page 155 of Budget Paper 3 and the figure that was buried in there about car park taxes—I think that was his quote. That is an example of where the detail contained within this thick wad of documents actually puts out what the future vision is going to be over the next 12 months and what the implications are going to be of those sorts of policies and financial positions that will be put in place over the next four years. It is when you look at the collection of those numbers and words that you start to be concerned, and there are a couple of things on this that I want to enforce.

I am a believer in a responsible government that creates an opportunity to promote (in our case) a state. For me, the AAA credit rating was always the key. It comes back to my own personal fiscal nature of being quite cautious. I always saw having a AAA credit rating as being a great promotional opportunity for South Australia. It demonstrated a government that was in tune with the people, in tune with business and in tune with the need to ensure that it provided services infrastructure, managed it well and had a strong financial base to work upon.

The downgrade has been so frustrating and, indeed, devastating to some and I respect that because we have gone from a AAA credit rating, the crest of the peak, the ultimate of what we were aspiring to in the depths of despair that was the early 1990s, and to have reached that within 12 years was, I think, a credit to predominantly the Liberal Party (when in government), which made some exceptionally hard decisions, and was continued on in the early years of the Labor government in getting there too, but it has been lost. It has been lost on the basis that there were going to be efforts to maintain it which involved of the sale of really important assets and infrastructure. For the forestry people and the people of the South-East to have been told that the sale of their forward rotations was on the basis of attaining the AAA and then it is lost is the ultimate kick in the pants that they as a community can ever experience.

I was part of a group who met with those people many times. I was part of a group who were on the steps of Parliament House when there were hundreds of people who had travelled from the South-East to show the level of frustration they had and the impact the decision was going to have upon them. The decision was still made. Yes, there was a local committee that worked on it and it tried to get some positive outcomes, but there is still this capacity that has been taken away from a community, that has been sold off to somebody else, and you do not know if the same level of commitment is going to be there. So, the horror story in that case has come true.

The sale of SA Lotteries was also espoused on the basis that it had returned good money to Treasury, there is no doubt about that, and it returned money to the public hospital system. It had done so on the basis that, since being implemented in, I think, the late 1960s, it was there and it was going to be a sure level and there was always a level of support and interest for people in it, but it has gone again, and it has been sold, I think, in another relatively short-sighted view that has been taken upon it because of the need for cash that existed.

The need for cash existed because it had all been poorly managed and spent and overspent with no ministerial control and no direct responsibility accepted for it. Instead of talking continuously and saying, 'Yes, we going to have surpluses in future years,' the difference is the delivery of a deficit.

It is not until you hear of the implications of the difference between an expected surplus and the reality of a delivered deficit—and it is up to the \$1.6 billion and \$1.4 billion and \$1.3 billion the member for Davenport quoted with the collective being \$4.3 billion—that is the difference between the original projection of a surplus and the reality of the deficit. In about five years' time, \$4.3 billion is taken away from the state, which results in an increased borrowing level and an increased liability level and it impacts not just in the forward estimates but across future generations.

Those of us who want to have an opportunity to serve in this chamber for a few years, and those of us who want to influence policy for young people, are frustrated by this. From a policy perspective, when we look at opportunities to excite people and make them believe in their future again, unfortunately we see too many opportunities for that being taken away because there are no dollars. There are no dollars here because of the people who sit to the right-hand side of you, Mr Deputy Speaker, who have determined to spend it in areas and not be responsible for it.

I am a great believer in the Leader of the Opposition. I have seen in him a strength of character that is so impressive that I believe other South Australians will vote overwhelmingly in support of him next year. He is a man who, through his own efforts, has risen dramatically from first being elected three or so years ago to becoming Leader of the Opposition and, indeed, a future premier because of his capacity. It is not a capacity that is easily earned. It is a capacity which has been created through hard work and which will show people what he can do.

As a candidate in support of him in some efforts prior to the last election, I said with all honesty that I was pleased that I got in four years before him because I was worried about how good he was. I am not so worried about how good he was then but I am very impressed by how good he is now. It is how good he is going to be, and how impressive he is going to be as a leader of the community, that I think is going to make South Australians, when we look at history in future

decades, reflect upon his time here, when he had the opportunity to stand up to the immediate right of you, Mr Speaker, to make important announcements, give the policy direction and set in place a framework that will give South Australians a belief in the future. That is what I think all of us are excited by.

It is important that the collective team is there for him—and we are. There are people in here who have come from a wide variety of backgrounds who have all come together because of one philosophical belief—to create a strong South Australia. We do not do so from the basis of the personal reward for us; we do so on the basis of what the reward will be for the people. It comes down to financial responsibility, and it comes down to a capacity to put in place policies that are going to work.

The policies will be announced between now and 15 March next year. They will convince people of the fact that it is time for a change. That is an old saying, and I understand that—that it is time for a change—but it really and truly is. After 11 years and three months, there are South Australians out there, no matter where they come from—and I spoke at a meeting last night, which I will say was a Liberal Party branch meeting—who have given me strong feedback about the level of discussions they are having with others who have no involvement in politics and no preconceived conceptions about it but who are ready to see a change.

From a financial management point of view it is important that this budget be debated quite seriously, and that is why I am looking forward to the estimate sessions that start next week because that is where the real detail is going to come out. It is not just about the finances or the expenditure, but it is particularly about the policies and their implementation—what the cost is, how well it is being managed, and what the future implications of it are going to be.

I look forward to the contribution of other members. As a person who is a bit of a detail guy and who likes to read budget papers, I hope that I manage to store in my head a lot more of the information and the figures I have read and heard from other people because it is important that we get it right. We cannot afford to muck around. It is absolutely the key factor of how good a government or an opposition will be but, importantly, it is about how good the state is going to be.

Let's make sure that the next budget presented after the next election is the one that drives opportunity because, sadly, I do not believe that this one represents that. It represents another kick in the bum for people who are out there struggling, and it does not give them the hope they need.

Mr PEDERICK (Hammond) (12:44): I rise today to give a budget reply speech for the eighth time in this parliament from opposition and, hopefully, after the next election, it will be a long time before I do it from the opposition benches again because, frankly, this state cannot stand any more time with this Labor government running it. We are watching the federal debacle with what is going on with Julia Gillard's—and I was going to use the word 'team' but I do not think 'team' is the word at the moment, as they are working out who is knifing whom.

Mr Gardner: I think 'fiasco' is the term.

Mr PEDERICK: 'Fiasco' is the term to use, thank you member for Morialta. We see a fiasco in how this state has been run over the last 11 years. Just to make the point, we look at the debt ceiling which will be the biggest debt that this state will have ever had in its history—\$13,750 million. You could say \$13.75 billion, but I think when you put it in terms of \$13,750 million, it shows the reality that this state's finances are headed to hit that in 2016, that is, if we can believe the budget figures, because they chop and change from budget to budget, and from Mid-Year Budget Review to Mid-Year Budget Review.

The general government debt ceiling will be breached at over 54.2 per cent in 2016. If we look at the total state liabilities that will occur in that year when we have the massive blowout, we look at \$28.8 billion, which is over \$30 billion if we work in our failed WorkCover scheme and the public sector workers compensation schemes—\$30 billion—which is essentially equivalent to double our state budget at the moment, so how can this state keep having all these blowouts? It is just out of control. We look at the deficit coming up in 2012-13 of \$1.314 billion, and it is deteriorating by \$701 million in four years to the budget years of 2015-16. Supposedly in 2016-17, the surplus will be \$661 million, if we can believe the figures.

As other speakers have indicated here today, we still have six deficits in seven budget years and, if we consider the estimate of last year for the 2012-13 budget deficit, which was going to be \$867 million, this state is \$447 million worse off this year. We look at economic growth figures for the state and, even though we are only three quarters of the way through 2012-13, the state

final demand figures showed then a drop by 3.7 per cent. However, the state final demand was forecast to grow by 1.2 per cent in 2012-13. Gross state product at 1.25 per cent is less than half the national gross domestic product growth at 3 per cent this year.

If we look at what has happened in our employment sector and the pain inflicted on small business, everyone is not making decisions; they are waiting for the two elections to happen, and the jobs growth is essentially zero. Where is it now? In the budget, the Premier originally forecast 100,000 new jobs by 2016. Well, when is that going to happen because we are not seeing too much of that happening at the moment.

The interest has been talked about by other members today. The interest blowout will head to \$952 million, which is \$2.6 million per day that we will just be paying in interest by 2016-17. If we look at how that interest bill rates in the scheme of things—the police budget is just under \$870 million in 2016-17. If the interest bill was a department, it would be the fifth largest department in 2016-17, under this failed government forecast. We can look at the superannuation interest which is over \$400 million every year, and the interest repayments are growing an average of 30 per cent per annum.

Look at what is happening as far as some of the tax issues that were outlined in the budget. The car park tax remains, though in the budget papers it is not called the 'car park tax', it is called the 'transport development levy'. What sort of development is that toxic tax actually aiming at? It is not going to develop anything. It is going to make Adelaide a ghost town. All of the people in the regions, all of my constituents, they have to travel into the city. They have to drive in, find a park, do their business, do their shopping, whatever they need to do—whether it is to see people about business, whether it is to see their accountant or whether it is to shop for goods that are not so easy to get in the regions—and they have to get a park.

Yet here we see the government putting in place another tax which will put up the cost by \$25 million a year across the board to people who want to park in the city. Well, I know exactly what will happen. People just will not bother coming in here. They will find other alternative ways to shop. They will see what more products they can find in the regions or they will shop in the suburban areas, and there will be more buying online. They will not bother coming in here. It is just a destructive tax.

If we look at the tax revenue growth over time: in 2013-14 it is 2.6 per cent; 6.5 per cent in 2014-15; 7.5 per cent in 2015-16; and 6.2 per cent in 2016-17. So there is tax revenue growth across the board, yet still we see a government that cannot manage its finances and cannot manage its forward estimates.

We see in savings targets indicated by the government that the government is looking at \$140 million over four years worth of new savings outlined in this budget, but we see \$1.3 billion worth of new spending. No wonder the budget has blown out. What we see hidden in the budget also is there is over \$406 million worth of savings in revenue measures to commence after the election. I wonder where they will hit. Probably health—and probably country health.

We see the Public Service, where the government has outlined that it will target almost 5,000 people in the Public Service for a reduction, and that is over the forward estimates period, and that will include around \$169 million worth of targeted voluntary separation packages payments in 2½ years. That is looking at a target of close to 1,500 people involved there, and we look at 58 early executive appointments terminated at a cost of \$9 million. And so the total cost for termination works out to just over \$115,000 per head.

Julia Gillard was in Adelaide the other day with the Premier proudly spruiking about the Gonski agreement, but will it mean extra funding? Will it mean better outcomes for our kids in the public schools? More and more people are turning to private schools because they are frustrated with the lack of management and the lack of outcomes in the public sector schools. Don't get me wrong: there are some very good people in the education department, but they are frustrated by policies and the way the finances are handled, the way staffing appointments are handled, and it just creates an issue where people cannot understand how some decisions are made in the education sector.

Mrs Geraghty: Because people keep talking down our state schools, that's why.

Mr PEDERICK: Absolutely. I think our state schools are great, but there needs to be better management about how these schools are run. I have two schools in my electorate, now that the Government Whip has fired me up, whose principals had long-term arrangements with their

schools. They did one term this year and they have gone—they have decided to go elsewhere, because under the government's policy they can. At the school where my kids go at Coomandook, the principal was given a six-year contract and he did one term and told everyone that week—

The Hon. J.M. Rankine: Why?

Mr PEDERICK: Because he got a contract at Taillem Bend. So, there you go. Where are the continuous education outcomes for our children when we have people who just cut and run when they initially enter a six-year contract and then they leave? This is happening right across the state. I believe people should have some freedom of choice, but why are they only given that one term? The same thing happened at Lameroo in my electorate. The principal was there last year, but did one term this year and has gone elsewhere, so work it out. So when these appointments happen like this, when the flawed hiring process goes ahead, it means that other teachers have to step up, the deputy has to step up, as they have done, and they are doing a good job—

The Hon. J.M. Rankine interjecting:

The SPEAKER: I call the Minister for Education and Children's Services to order.

Mr Gardner: Warn her, sir.

The SPEAKER: That will be next.

Mr PEDERICK: Thank you, Mr Speaker. This pulls teachers out of the classroom, and temporary relief teachers have to come in and backfill the situation right throughout the system. So it does impact on children's education, because they do not have the continuum they deserve of a decent education because people are always backfilling roles and people are being pulled out of classrooms—

Mrs Geraghty interjecting:

The SPEAKER: I call the member for Torrens to order.

Mr PEDERICK: Thank you, Mr Speaker, for your protection. There has to be a better way so that our state schools can function better.

I look at the Department of Primary Industries and Regions. As a farmer coming into this place, I am extremely frustrated with the budget outcomes with respect to primary industries. For instance, if we look at the targeted full-time equivalent Public Service cuts for primary industries in this budget, another 120 people are to go. We see the primary industries funding cut by \$11.5 million. We have seen over the last four budgets \$80 million cut from primary industries. We see just in the one budget line of Agriculture, Food and Fisheries a \$7 million cut.

It is just out of control how this government targets the very sector that is growing the economy in this state and making it work, especially when they suddenly realised, when the Olympic Dam expansion fell over, that they needed to rely on the next sector, which is the sector that has been helping this economy for as long as we have been here in South Australia (since 1836), and that is agriculture, which will have a final outcome of finished food demand of over \$15 billion, but this government does not recognise the contribution of agriculture.

The government talks about premium food in this state—clean, green, premium food—but where is the support? It is out the window. We see that the Primary Industries and Regions South Australia operating expenses are to be cut in forward estimates by \$16 million. It is interesting that I note in the budget that \$930,000 has been lost due to our proposal to oppose the biosecurity levy. More and more the government wants to impose costs, but, thankfully, when the government tried to introduce it in a budget bill we stood our ground and opposed that levy. I seek leave to continue my remarks.

Leave granted; debate adjourned.

[Sitting suspended from 13:01 to 14:01]

WHEAT MARKETING (EXPIRY) AMENDMENT BILL

His Excellency the Governor assented to the bill.

ADELAIDE WORKERS' HOMES BILL

His Excellency the Governor assented to the bill.

BURIAL AND CREMATION BILL

His Excellency the Governor assented to the bill.

MARINE SAFETY (DOMESTIC COMMERCIAL VESSEL) NATIONAL LAW (APPLICATION) BILL

His Excellency the Governor assented to the bill.

NATIONAL TAX REFORM (STATE PROVISIONS) (ADMINISTRATIVE PENALTIES) AMENDMENT BILL

His Excellency the Governor assented to the bill.

LAWN BOWLS

The Hon. M.J. WRIGHT (Lee): Presented a petition signed by 25 residents of South Australia requesting the house to urge the government to amend the Equal Opportunity Act to ensure that the future of lawn bowls in South Australia is sound and members can compete in both single and open gender competitions according to the demographics of the particular area and to amend section 48 of the Equal Opportunity Act to remove references relating to strength, stamina or physique of the competitor.

ANSWERS TO QUESTIONS

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

CHIEF EXECUTIVE DISCRETIONARY FUND

6 The Hon. I.F. EVANS (Davenport) (21 February 2012). With respect to the Chief Executive of each Agency reporting to the minister representing the Minister for Agriculture, Food and Fisheries, is there a Chief Executive Discretionary Fund, and if so—

(a) what is the fund's allocated budget for 2011-12, 2012-13, 2013-14 and 2015-16, respectively; and

(b) what are the details of all grants provided from the fund for 2007-08, 2008-09, 2009-10 and 2010-11, respectively?

The Hon. T.R. KENYON (Newland—Minister for Manufacturing, Innovation and Trade, Minister for Small Business): I am advised:

The Chief Executive of the Department of Primary Industries and Regions SA (PIRSA) has provided the following information for these portfolios:

Minister for Agriculture, Food and Fisheries

(a) The Chief Executive of PIRSA has discretionary funding available annually to allocate to cost pressures, emerging priorities, or whole-of-Government initiatives without impacting the agency's budget. This funding totals around \$0.5 million per annum from 2011-12 to 2015-16.

(b) The details of all grants provided from the fund for 2007-08, 2008-09, 2009-10 and 2010-11, respectively—

Name of Grant Recipient	Amount of Grant	Purpose of Grant
2007-08		
University of Adelaide	\$27,500	Funding Deed for Research Institute for Climate Change and Sustainability
Department of the Premier and Cabinet	\$40,000	Contribution towards Thinker in Residence project—A Fearné
Department of Water, Land, Biodiversity and Conservation	\$30,000	Contribution to Natural Research Management (NRM) Research Alliance
2008-09		
Department of Water, Land, Biodiversity and Conservation	\$30,000	Contribution to Natural Research Management (NRM) Research Alliance

Name of Grant Recipient	Amount of Grant	Purpose of Grant
Euro-Toques International	\$30,000	Adelaide Food project—representation and promotion of SA Food in Europe
2009-10		
University of Adelaide	\$63,856	Funding Deed for Research Institute for Climate Change and Sustainability
Rural Industries Research and Development Corporation	\$13,700	Contribution to Australian Agriculture and Natural Resource Online (AANRO) for 2009-10
2010-11		
University of Adelaide	\$64,662	Funding Deed for Research Institute for Climate Change and Sustainability

CHIEF EXECUTIVE DISCRETIONARY FUND

7 The Hon. I.F. EVANS (Davenport) (21 February 2012). With respect to the Chief Executive of each Agency reporting to the minister representing the Minister for Forests, is there a Chief Executive Discretionary Fund, and if so—

(a) what is the fund's allocated budget for 2011-12, 2012-13, 2013-14 and 2015-16, respectively; and

(b) what are the details of all grants provided from the fund for 2007-08, 2008-09, 2009-10 and 2010-11, respectively?

The Hon. T.R. KENYON (Newland—Minister for Manufacturing, Innovation and Trade, Minister for Small Business): I am advised:

The Chief Executive of ForestrySA has provided the following information for this portfolio:
Minister for Forests

ForestrySA does not have a Chief Executive Discretionary Fund.

CHIEF EXECUTIVE DISCRETIONARY FUND

8 The Hon. I.F. EVANS (Davenport) (21 February 2012). With respect to the Chief Executive of each Agency reporting to the minister representing the Minister for Regional Development, is there a Chief Executive Discretionary Fund, and if so—

(a) what is the fund's allocated budget for 2011-12, 2012-13, 2013-14 and 2015-16, respectively; and

(b) what are the details of all grants provided from the fund for 2007-08, 2008-09, 2009-10 and 2010-11, respectively?

The Hon. T.R. KENYON (Newland—Minister for Manufacturing, Innovation and Trade, Minister for Small Business): I am advised:

The Chief Executive of the Department of Primary Industries and Regions SA (PIRSA) has provided the following information for these portfolios:

Minister for Regional Development

(a) The Chief Executive of PIRSA has discretionary funding available annually to allocate to cost pressures, emerging priorities, or whole-of-Government initiatives without impacting the agency's budget. This funding totals around \$0.5 million per annum from 2011-12 to 2015-16.

(b) The details of all grants provided from the fund for 2007-08, 2008-09, 2009-10 and 2010-11, respectively—

Name of Grant Recipient	Amount of Grant	Purpose of Grant
2007-08		
University of Adelaide	\$27,500	Funding Deed for Research Institute for Climate Change and Sustainability
Department of the Premier and Cabinet	\$40,000	Contribution towards Thinker in Residence project—A Fearné

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Department of Water, Land, Biodiversity and Conservation	\$30,000	Contribution to Natural Research Management (NRM) Research Alliance
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University of Adelaide	\$63,856	Funding Deed for Research Institute for Climate Change and Sustainability
Rural Industries Research and Development Corporation	\$13,700	Contribution to Australian Agriculture and Natural Resource Online (AANRO) for 2009-10
2010-11		
University of Adelaide	\$64,662	Funding Deed for Research Institute for Climate Change and Sustainability

BUDGET PAPERS

288 Mr MARSHALL (Norwood) (11 September 2012). With respect to 2012-13 Budget Paper 4, vol. 12, p. 124—

How many community groups share in the \$2 million allocated to community groups and non-government organisations as part of the NRM community grants scheme, what are the guidelines and who has the final decision in this allocation?

The Hon. L.W.K. BIGNELL (Mawson—Minister for Tourism, Minister for Recreation and Sport): The Minister for Sustainability, Environment and Conservation has received this advice:

In total, 68 community groups and 51 non-Government organisations shared in the \$2 million from the 2012-13 NRM Community Grant funding.

The NRM Community Grants funding is based on the following principles:

1. Activities contribute to the achievement of relevant natural resources management targets;
2. Fostering partnerships is valuable to encourage shared responsibility and deliver best possible natural resources management outcomes;
3. Communities and individuals are engaged and empowered to support natural resources management objectives;
4. Activities utilise best available science and knowledge of best practices; and
5. Activities demonstrate high value for money.

Project applications were considered by an assessment panel with expertise in community engagement, environmental conservation, sustainable agriculture and Aboriginal matters. Panel members reviewed and scored the applications individually, then met to discuss and finalise the list of projects to be awarded grant funding.

VOLUNTEERS SUPPORT FUND

373 Dr McFETRIDGE (Morphett) (11 September 2012).

1. How much money was allocated by the government in 2012 for the Volunteers Support Fund, the Community Voices Grant Program, the Sustainable On-Line Community Engagement Program and any other volunteer support grants?

2. List all grant recipients that received grant monies for 2010 and 2011 and how much money each recipient received from the Volunteers Support Fund, the Community Voices Grant Program, the Sustainable On-Line Community Engagement Program and any other volunteer support grants?

The Hon. A. PICCOLO (Light—Minister for Communities and Social Inclusion, Minister for Social Housing, Minister for Disabilities, Minister for Youth, Minister for Volunteers): I am advised:

1. In 2012, the South Australian government allocated the following funding to volunteer support grant programs, through the Office for Volunteers:

- \$150,000 to the Volunteer Support Fund;
- \$80,000 to the Free Volunteer Training Grants Program;
- \$50,000 to the Community Voices Program;
- \$50,000 to the Sustainable Online Community Engagement Program;
- \$38,135 to the Corporates4Communities Program; and
- approximately \$300,000, over three years (2010-13), was provided as administrative support to key volunteer resource centres including Volunteering SA&NT, Northern Volunteering SA and Southern Volunteering SA.

2. Grant recipients that received grant monies in 2010 and 2011 from the abovementioned volunteer support grant programs included:

- a total of 115 community organisations in 2010 and 83 in 2011 which received grants through the Volunteer Support Fund;
- Flinders University which received \$50,000 in both years to deliver the Community Voices Program;
- The University of South Australia which received \$50,000 in both years to deliver the Sustainable Online Community Engagement Program;
- Heta Incorporated which received \$36,125 in both years to deliver the Corporates4Communities Program;
- until 2012, the Free Volunteer Training Grants program had been delivered by:
 - Volunteering SA&NT which received \$40,000 in both years;
 - Naracoorte Lucindale District Council which received \$20,000 in both years; and
 - Port Augusta City Council which received \$20,000 in both years.
- Volunteering SA&NT, Northern Volunteering SA and Southern Volunteering SA will receive funding over three years (2010-13) as administrative support for their operations. Volunteering SA&NT will receive \$204,344, Northern Volunteering SA \$46,446 and Southern Volunteering SA \$46,446.

INDIGENOUS PROGRAMS, GRANTS AND FUNDING

390 Dr McFETRIDGE (Morphett) (18 September 2012). What Indigenous programs, grants and funding were provided by each department or agency under the minister's portfolio for 2011 and in each case, were these funds recurrent, current, operational or capital expenditure?

The Hon. J.R. RAU (Enfield—Deputy Premier, Attorney-General, Minister for Planning, Minister for Industrial Relations, Minister for Business Services and Consumers): I have received the following advice:

The component of the former Department of Planning and Local Government that came under my responsibility did not provide any funding for Indigenous programs in 2011.

REGIONAL DEVELOPMENT AUSTRALIA

437 Mr VAN HOLST PELLEKAAN (Stuart) (6 November 2012).

1. How much funding was provided to each Regional Development Australia entity in each year since 2009-10, in terms of—

- (a) grants;
- (b) core funding; and

(c) any other funding?

2. How much funding will be allocated to each entity in 2012-13 and 2013-14 in terms of—

(a) grants;

(b) core funding; and

(c) any other funding?

The Hon. T.R. KENYON (Newland—Minister for Manufacturing, Innovation and Trade, Minister for Small Business): The Minister for Regional Development has been advised:

1. Grant funding was provided to Regional Development Australia committees in 2009-10, 2010-11 and 2011-12 as follows:

PIRSA Funding for 2009-10

RDA Name	Funding for the Purpose of the Agreement	Funding for Business Development Officers	Funding for Economic Development Officer	Total RDA Funding
Adelaide Hills, Fleurieu & KI	\$562,086.00	\$204,870.00		\$766,956.00
Barossa	\$194,366.00	\$68,290.00		\$262,656.00
Far North	\$225,884.00	\$68,290.00	\$84,050.00	\$378,224.00
Limestone Coast	\$225,884.00	\$68,290.00		\$294,174.00
Murraylands & Riverland	\$451,768.00	\$136,580.00		\$588,348.00
Whyalla & Eyre Peninsula	\$420,250.00	\$136,580.00	\$31,518.00	\$588,348.00
Yorke & Mid North	\$614,616.00	\$204,870.00		\$819,486.00
Total	\$2,694,854.00	\$887,770.00	\$115,568.00	\$3,698,192.00
Regional Project Funding was paid to RDA/RDBs				\$660,500.00

PIRSA Funding for 2010-11

RDA	Funding for the Purpose of the Agreement	Funding for Business Development Officers	Funding for Economic Development Officer	Indexation	Total RDA Funding
Adelaide Hills, Fleurieu & KI	\$562,085	\$204,873		\$19,173.95	\$786,131.95
Barossa	\$194,366	\$68,291		\$6,566	\$269,223
Far North	\$225,884	\$68,291	\$84,050	\$9,456	\$387,681
Limestone Coast	\$225,884	\$68,291		\$7,354	\$301,529
Murraylands & Riverland	\$451,768	\$136,582		\$14,709	\$603,059
Whyalla & Eyre Peninsula	\$420,250	\$136,582	\$31,519	\$14,709	\$603,060
Yorke & Mid North	\$614,616	\$204,873		\$20,487	\$839,976
Total	\$2,694,853	\$887,783	\$115,569	\$92,455	\$3,790,660

PIRSA Funding for 2011-12

RDA	Funding for the Purpose of the Agreement	Funding for Business Development Officers	Funding for Economic Development Officer	Indexation	Total RDA Funding
Adelaide Hills, Fleurieu & KI	\$576,137.13	\$209,994.83		\$19,653.30	\$805,785.26
Barossa	\$199,225.15	\$69,998.28		\$6,730.59	\$275,954.02
Far North	\$231,531.10	\$69,998.28	\$86,151.25	\$9,692.02	\$397,372.64
Limestone Coast	\$231,531.10	\$69,998.28		\$7,538.23	\$309,067.61
Murraylands & Riverland	\$463,062.20	\$139,996.55		\$15,076.47	\$618,135.22
Whyalla & Eyre Peninsula	\$430,756.25	\$139,996.55	\$32,306.98	\$15,076.49	\$618,136.27
Yorke & Mid North	\$629,981.40	\$209,994.83		\$20,999.41	\$860,975.64
Total	\$2,762,224.33	\$909,977.60	\$118,458.23	\$94,766.50	\$3,885,426.65
RDA Murraylands and Riverland RFT Transition funding					\$183,000.00

Other grant funding to RDA's from South Australian Tourism Commission (SATC) is as follows:

SATC Funding for 2010-11:

Adelaide Hills, Fleurieu & KI RDA—KI Tourism Optimisation Model	\$20,000
Far North RDA—Flinders Ranges Business Development Officer	\$30,000
Yorke & Mid North RDA—Southern Flinders Development Officer	\$25,000
Total:	\$75,000

SATC Destination Development Grant Funding for 2011-12

Murraylands & Riverland RDA—Murraylands Tearoff—Map	\$18,182.00
Yorke & Mid North RDA—Clare Valley Brand Project	\$18,182.00
Total:	\$36,364.00

2. Grant funding has been allocated for Regional Development Australia committees in 2012-13 as follows:

PIRSA Funding

RDA Name	Funding for the Purpose of the Agreement	Funding for Business Development Officers	Funding for Economic Development Officer	Total RDA Funding
Adelaide Hills, Fleurieu & KI	\$605,304.07	\$220,625.81		\$825,929.88
Barossa	\$209,310.92	\$73,541.94		\$282,852.86
Far North	\$243,252.36	\$73,541.94	\$90,512.66	\$407,306.96
Limestone Coast	\$243,252.36	\$73,541.94		\$316,794.30
Murraylands & Riverland	\$486,504.72	\$147,083.88		\$633,588.60
Whyalla & Eyre Peninsula	\$452,563.29	\$147,083.88	\$33,942.52	\$633,589.68
Yorke & Mid North	\$661,874.21	\$220,625.81		\$882,500.02
Total	\$2,902,061.93	\$956,045.19	\$124,455.17	\$3,982,562.29

The Sustainable Budget Commission in 2010 recommended State funding to RDA's cease from 1 July 2013.

I proposed that the 2011-12 State Budget provide ongoing support for regions through a new Regional Development Fund (RDF). Existing funding arrangements with RDA's will remain in place until 30 June 2013 with the RDF coming into effect after that.

Stream 1—Growing Stronger Regions—\$1.4 million per annum

Provides support to the non-metropolitan Regional Development Australia (RDA) committees for programs that address at least one of the state Government seven strategic priorities. RDA's can apply for up to \$200,000 per RDA per annum.

Stream 2—Creating Competitive Regions—\$1.6 million per annum

Provides support for projects and infrastructure that support the growing advanced manufacturing, realising the benefits of the mining boom for all South Australians or premium food and wine from our clean environment priorities of Government from non-metropolitan private sector businesses, industry associations, community organisations, regional local government, and the South Australian non-metropolitan RDA's.

SUPERANNUATION BENEFITS

In reply to **Mrs REDMOND (Heysen)** (26 October 2010) (First Session).

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Treasurer, Minister for State Development, Minister for the Public Sector, Minister for the Arts): I have been advised the following:

Staff within the Premier's Office, like all employees, receive their superannuation in accordance with the superannuation scheme of which they are a member.

Members can elect to make personal contributions and if they do so, depending on the terms of the scheme, they can qualify for a higher rate than the standard 9 per cent employer contribution.

As a result five members of the Premier's staff were entitled to an employer contribution of between 9 and 14.5 per cent.

SUPERANNUATION BENEFITS

In reply to **Mrs REDMOND (Heysen)** (8 November 2011) (First Session).

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Treasurer, Minister for State Development, Minister for the Public Sector, Minister for the Arts): I have been advised the following:

Staff within the Premier's Office, like all employees, receive their superannuation in accordance with the superannuation scheme of which they are a member.

Members can elect to make personal contributions and if they do so, where authorised by the terms of the scheme of which they are a member, they can qualify for a higher rate than the standard 9 per cent employer contribution.

As a result four members of the Premier's staff were entitled to an employer contribution of between 10 and 14.75 per cent.

ECONOMIC POLICY UNIT

In reply to **Mrs REDMOND (Heysen)** (20 June 2012) (Estimates Committee A).

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Treasurer, Minister for State Development, Minister for the Public Sector, Minister for the Arts): I have been advised of the following:

The Economic Policy unit is composed of six FTE staff positions which transferred from a larger business unit of the former Department of Trade and Economic Development, effective 1 January 2012, as a result of machinery of government changes.

The estimated result of \$691,000 for 2011-12 reflects the salaries, on-costs and associated shared corporate costs for those six positions. In addition, there is a project budget for specialist studies which was not transferred to DPC until 1 July 2012, because the budget for 2011-12 had been fully allocated. This accounts for \$0.2 million of the increase.

A further \$0.2 million of the increase is due to funding for the Competitiveness Council project, which was transferred within DPC from the Office of the Economic Development Board to the Economic Policy branch. This occurred late in the 2011-12 financial year and is reflected in the FTE increase of 1.8 as of 30 June 2012.

The remaining \$0.1 million increase reflects savings in 2011-12 due to the timing of filling positions.

PAPERS

The following papers were laid on the table:

By the Treasurer (Hon. J.W. Weatherill)—

Budget 2013-14—Paper 3 Budget Statement Corrigendum

Regulations made under the following Acts—

Emergency Services Funding—Remissions-Land—Relevant Financial Year
Land Tax—Fees Increases 2013

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

Regulations made under the following Acts—

Freedom of Information—Fees Increases 2013

By the Attorney-General (Hon. J.R. Rau)—

Regulations made under the following Acts—

Associations Incorporation—Fees Increases 2013

Bills of Sale—Fees Increases 2013

Births, Deaths and Marriages Registration—Fees Increases 2013

Community Titles—Fees Increases 2013

Co-operatives—Fees Increases 2013

Coroners—Fees Increases 2013

Cremation—Fees Increases 2013

Criminal Law (Clamping, Impounding and Forfeiture of Vehicles)—

Fees Increases 2013

Criminal Law (Sentencing)—Fees Increases 2013

District Court—Fees Increases 2013

Environment, Resources and Development Court—Fees Increases 2013

Evidence—Fees Increases 2013

Expiation of Offences—Fees Increases 2013

Fees Regulation—Public Trustee Administration Fees—Fees Increases 2013

Magistrates—Fees Increases 2013

Partnership—Fees Increases 2013

Public Trustee—Fees Increases 2013

Real Property—Fees Increases 2013

Registration of Deeds—Fees Increases 2013

Security and Investigation Agents—Fees Increases 2013

Serious and Organised Crime (Control)—Serious Criminal Offences—

Prescribed Offences

Sexual Reassignment—Fees Increases 2013

Sheriff's—Fees Increases 2013

State Records—Fees Increases 2013

Strata Titles—Fees Increases 2013

Summary Offences—

General—Fees Increases 2013

Weapons—Fees Increases 2013

Supreme Court—Fees Increases 2013

Worker's Liens—Fees Increases 2013

Youth Court—Fees Increases 2013

Rules made under the following Acts—

District Court—Civil—Amendment No 23

By the Minister for Planning (Hon. J.R. Rau)—

Development Plan Amendment—City of Charles Sturt Heritage 16 May 2013
Regulations made under the following Acts—

Development—

Affordable Housing Stimulus Package
Fees Increases 2013

By the Minister for Industrial Relations (Hon. J.R. Rau)—

Regulations made under the following Acts—

Dangerous Substances—

Dangerous Goods Transport—Fees Increases 2013
Fees Increases 2013

Employment Agents Registration—Fees Increases 2013

Explosives—

Fees Increases 2013

Fireworks—Fees Increases 2013

Security Sensitive Substances—Fees Increases 2013

Fair Work—Fees Increases 2013

Work Health and Safety—Fees Increases 2013

By the Minister for Business Services and Consumers (Hon. J.R. Rau)—

Regulations made under the following Acts—

Authorised Betting Operations—Fees Increases 2013

Building Work Contractors—Fees Increases 2013

Conveyancers—Fees Increases 2013

Gaming Machines—Fees Increases 2013

Land Agents—Fees Increases 2013

Land and Business (Sale and Conveyancing)—Fees Increases 2013

Liquor Licensing—

Dry Areas—

Clare

Grange—Henley Beach—West Beach

Fees Increases 2013

Lottery and Gaming—Fees Increases 2013

Plumbers, Gas Fitters and Electricians—Fees Increases 2013

Residential Tenancies—Fees Increases 2013

Second-hand Vehicle Dealers—Fees Increases 2013

Travel Agents—Fees Increases 2013

By the Minister for Health and Ageing (Hon. J.J. Snelling)—

Regulations made under the following Acts—

Fees Regulation—Incidental SAAS Services—Fees Increases 2013

Retirement Villages—Fees Increases 2013

South Australian Public Health—

Wastewater—

Fees Increases 2013

Wastewater

By the Minister for Mental Health and Substance Abuse (Hon. J.J. Snelling)—

Regulations made under the following Acts—

Controlled Substances—Pesticides—Fees Increases 2013

Tobacco Products Regulation—Fees Increases 2013

By the Minister for Education and Child Development (Hon. J.M. Rankine)—

Regulations made under the following Acts—

Adoption—Fees Increases 2013

Children's Protection—Fees Increases 2013

By the Minister for Transport and Infrastructure (Hon. A. Koutsantonis)—

- Regulations made under the following Acts—
 - Harbors and Navigation—Fees Increases 2013
 - Motor Vehicles—
 - Expiation Fees—Fees Increases 2013
 - Fees Increases 2013
 - National Heavy Vehicles Registration Fees—Fees Increases 2013
 - Road Traffic—
 - Approved Road Transport Compliance Schemes—Fees Increases 2013
 - Heavy Vehicle Driver Fatigue—Fees Increases 2013
 - Miscellaneous—Fees Increases 2013
 - Miscellaneous—Expiation Fees—Fees Increases 2013
 - Roads (Opening and Closing)—Fees Increases 2013
 - Valuation of Land—Fees Increases 2013
- Rules made under the following Acts—
 - Road Traffic—Frontal Protection Systems

By the Minister for Mineral Resources and Energy (Hon. A. Koutsantonis)—

- Regulations made under the following Acts—
 - Mines and Works Inspection—Fees Increases 2013
 - Mining—Fees Increases 2013
 - Opal Mining—Fees Increases 2013
 - Petroleum and Geothermal Energy—Fees Increases 2013

By the Minister for Finance (Hon. M.F. O'Brien)—

- Regulations made under the following Act—
 - Petroleum Products Regulation—Fees Increases 2013

By the Minister for Police (Hon. M.F. O'Brien)—

- Regulations made under the following Acts—
 - Firearms—Fees Increases 2013
 - Hydroponics Industry Control—Fees Increases 2013

By the Minister for Emergency Services (Hon. M.F. O'Brien)—

- Regulations made under the following Acts—
 - Fire and Emergency Services—Fees Increases 2013

By the Minister for Employment, Higher Education and Skills (Hon. G. Portolesi)—

- University of Adelaide—Annual Report 2012

By the Minister for Manufacturing, Innovation and Trade (Hon. T.R. Kenyon)—

- Regulations made under the following Acts—
 - Brands—Fees Increases 2013
 - Fisheries Management—
 - Fees Increases 2013
 - Lakes and Coorong Fishery—Individual Pipi Catch Quota System
 - Livestock—Fees Increases 2013
 - Local Government—
 - Fees Increases 2013
 - Financial Management—Better Practice Model
 - General—Local Government Sector Employers
 - Plant Health—Fees Increases 2013
 - Primary Produce (Food Safety Schemes)—
 - Citrus Industry—Fees Increases 2013
 - Egg—Fees Increases 2013
 - Meat Industry—Fees Increases 2013
 - Plant Products—Fees Increases 2013
 - Seafood—Fees Increases 2013

Private Parking Areas—Fees Increases 2013

By the Minister for Transport Services (Hon. C.C. Fox)—

Regulations made under the following Act—
Passenger Transport—Fees Increases 2013

By the Minister for Social Housing (Hon. A. Piccolo)—

Regulations made under the following Acts—
Housing Improvement—Fees Increases 2013

By the Minister for Tourism (Hon. L.W.K. Bignell)—

Regulations made under the following Acts—
Botanic Gardens and State Herbarium—Fees Increases 2013
Crown Land Management—Fees Increases 2013
Environment Protection—Fees Increases 2013
Heritage Places—Fees Increases 2013
Historic Shipwrecks—Fees Increases 2013
National Parks and Wildlife—
Hunting—Fees Increases 2013
Protected Animals—Fees Increases 2013
Wildlife—Fees Increases 2013
Native Vegetation—Fees Increases 2013
Natural Resources Management—
Financial Provisions—Fees Increases 2013
General—Fees Increases 2013
Pastoral Land Management and Conservation—Fees Increases 2013
Radiation Protection and Control—
Ionising—Fees Increases 2013
Non-Ionising—Fees Increases 2013
Water Industry—Fees Increases 2013

NATIONAL EDUCATION REFORM AGREEMENT

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Treasurer, Minister for State Development, Minister for the Public Sector, Minister for the Arts) (14:05): I seek leave to make a ministerial statement.

Leave granted.

The Hon. J.W. WEATHERILL: Last Friday, I was pleased to sign the National Education Reform Agreement, also known as the Gonski school funding reforms. I signed this agreement with the Prime Minister at the Mitcham Primary School. It will deliver an additional investment in Australian schools of \$1.1 billion over the next six years. Total new funding of \$717 million will be invested in public schools, \$197 million for our Catholic school sector and \$186 million for the independent school sector. This will ensure that every school—public, Catholic and independent—will receive significant new resources to better support the individual needs of the more than 250,000 school students in South Australia.

As any parent with more than one child will know, every child is different. Even if they grow up in the same loving household, their personalities and temperaments are unique. That is why they need an education system that caters to their individual education and care needs. Through these reforms, we are providing additional resources to make sure that the individual needs of every child—wherever they live and whatever school they go to—are better met through a new student resource standard.

The state and federal governments are investing \$656 million over six years to bring per-student funding to this new school resource standard which, together with better rates of indexation, brings the total extra funding to \$1.1 billion. This will mean that every student will receive the same base level of funding wherever they are going to school in Australia. More resources will also be provided to school communities and students with particular needs such as disadvantaged students, regional students, Aboriginal students, students with disabilities and students from non-English speaking backgrounds.

Of course, the National Education Reform Agreement is not just about funding. It also outlines changes which will drive the improvements required to boost Australia's education performance into the top five internationally by 2025. This includes increased information and support for parents so that they can better engage in their child's learning, greater flexibility for principals, support for aspiring principals and school leaders, and more support for teachers to be the best educators they can be.

While these reforms are about more than money, the additional funding is crucial. Ultimately, there is only so much schools can do without additional resources, and that is what these reforms deliver. Because South Australia has one of the most decentralised education systems in Australia, schools will be able to decide for themselves how this additional funding will be allocated—whether it is for additional teachers or more support officers, or new literacy and numeracy programs, or extra classroom resources.

The signing of this agreement is good for students, it is good for school communities and it is good for the long-term interests of the South Australian budget. For the first time, the agreement secures a commitment from the commonwealth, the arm of government with the strongest fiscal resources, to being a funding partner for education. However, as important as this reform is, there is a huge risk that these additional resources will not be delivered. This is because the federal opposition has indicated it will cut this funding if it is elected. I am proud that South Australia is delivering this important investment in our children's future and I call upon all members of this place to get behind this important reform.

Ms Chapman interjecting:

The SPEAKER: I call the member for Bragg to order. I remind members that the Minister for Education and the member for Torrens were warned before question time and those warnings carry over into question time.

ECONOMIC AND FINANCE COMMITTEE

The Hon. L.R. BREUER (Giles) (14:17): I bring up the 80th report of the committee, entitled—

Members interjecting:

The SPEAKER: Point of order.

Ms CHAPMAN: The Minister for Education is defying your ruling. She is shouting across her own members.

Members interjecting:

Ms CHAPMAN: I rest my case.

The SPEAKER: The member for Giles.

The Hon. L.R. BREUER: I bring up the 80th report of the committee, entitled Workforce and Education Participation.

Report received and ordered to be published.

NATURAL RESOURCES COMMITTEE

The Hon. S.W. KEY (Ashford) (14:19): I bring up the 78th report of the committee, entitled the Adelaide and Mount Lofty Ranges Natural Resources Management Board Levy Proposal 2013-14.

Report received and ordered to be published.

The Hon. S.W. KEY: I bring up the 79th report of the committee, entitled the Eyre Peninsula Natural Resources Management Board Levy Proposal 2013-14.

Report received and ordered to be published.

The Hon. S.W. KEY: I bring up the 80th report of the committee, entitled Kangaroo Island Natural Resources Management Board Levy Proposal 2013-14.

Report received and ordered to be published.

The Hon. S.W. KEY: I bring up the 81st report of the committee, entitled Northern and Yorke Natural Resources Management Board Levy Proposal 2013-14.

Report received and ordered to be published.

The Hon. S.W. KEY: I bring up the 82nd report of the committee, entitled the South Australian Arid Lands Natural Resources Management Board Levy Proposal 2013-14.

Report received and ordered to be published.

The Hon. S.W. KEY: I bring up the 83rd report of the committee, entitled the South Australian Murray-Darling Basin Natural Resources Management Board Levy Proposal 2013-14.

Report received and ordered to be published.

The Hon. S.W. KEY: I bring up the 84th report of the committee, entitled the South East Natural Resources Management Board Levy Proposal 2013-14.

Report received and ordered to be published.

VISITORS

The SPEAKER: I welcome to parliament the Muslim Women's Association, who are guests of the member for Adelaide. Earlier, we welcomed the Nazareth Catholic College of Flinders Park, who were guests of the Minister for Transport and me. We also had Burnside Primary School here, who were guests of the deputy leader, as well as members of the University of the Third Age, who were guests of the Minister for Employment, Higher Education and Skills (the member for Hartley).

QUESTION TIME

The SPEAKER: The Minister for Communities and Social Inclusion will be absent today and questions for him will be taken by the Minister for Education.

GM HOLDEN

Mr MARSHALL (Norwood—Leader of the Opposition) (14:22): My question is to the Premier. How can the public trust this Premier, given that, since he announced Holden's future was secure last year, Holden has announced cuts of 25 per cent to its workforce, there is no minimum jobs guarantee and Holden workers are now being asked to vote on wage reductions in order to keep their jobs?

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Treasurer, Minister for State Development, Minister for the Public Sector, Minister for the Arts) (14:23): I thank the honourable member for his question. They can trust a government that is prepared to stand up and fight for the jobs of Holden's workers. I can recall, actually, when I travelled to Detroit because of the threat of the closure of Holdens—I can recall at the time, even before the wheels touched down in Adelaide, I had the Liberal Party saying that the trip was something that should not have been engaged in by the government, that it was something that we should not have been doing, seeking to fight for Holden's workers' jobs by going to Detroit and promoting those arrangements. I was criticised by those opposite for being alarmist about the possibility of Holden's closing.

We undertook the study, which indicated that up to 16,000 jobs would be affected across South Australia should Holden's close, and that was why we entered into discussions for a coinvestment arrangement for the future of Holden's. We reached an agreement with Holden, together with the commonwealth government, to provide \$275 million of investment to ensure that \$1 billion worth of coinvestment was unlocked by Holden.

Now, it is true that changes have been made by Holden since that time that have meant that we have to return to the negotiating table, but at the forefront of our mind every step of the way will be fighting for jobs for those Holden's workers. It is not just for those workers, but we know that this is such a central part of our manufacturing base, and it affects so many other jobs in the rest of the economy. One thing that Holden have told us is that the barrier to us reaching a final agreement—we have been told this very clearly by Holden—is that they cannot reach a concluded agreement with the South Australian government until they know the complexion of the federal government post the federal election and the policies of any new federal government. What we do know is that the present circumstances are that the federal Coalition wants to take \$500 million out of the ATS scheme, which is an underpinning scheme that supports Holden's investment. We also know that that same scheme—

Members interjecting:

The Hon. J.W. WEATHERILL: Well, you asked for this, so you have to listen to the answer; that is how it works. The ATS scheme is a \$1.5 billion scheme. During the course of that scheme they have also said that they will review its operations by sending it to who?—the Productivity Commission. I think we know what the fate of the subsidy might be if it gets sent to the Productivity Commission. Holden workers are, of course, alarmed, and Holden is alarmed at the prospect of the federal Coalition taking \$500 million out of a scheme which underpins the conditions for investment for Holden. So, they have told us they will not be reaching any concluded view with us until they sit down with the federal government, whatever the complexion of that is post 14 September.

The other element that has been raised is this question of the wages and conditions of the workers. On that matter, we believe that is a matter for Holden to discuss with their workforce, as represented by their union, and that they should have those negotiations. It is not unknown for employers to advance propositions about changing workplace practices and conditions. They should have those discussions. They should occur in the framework of the Fair Work Australia Act, and we would expect that Holden's would conduct themselves in that fashion. They can trust us because we are fighting for Holden's. Can I say this: at the next federal election the answer is pretty clear: a vote for the Liberal Party is a vote to shut Holden's.

Mr MARSHALL: Supplementary.

The SPEAKER: Before we go to a supplementary, leader, I call to order the members for Heysen, Bragg, Morialta, Waite and West Torrens for interjecting repeatedly. I call to order the member for Chaffey for interjecting, and I remind the member for Bragg that the interjection 'Tell the truth' is always out of order. A supplementary.

GM HOLDEN

Mr MARSHALL (Norwood—Leader of the Opposition) (14:28): Can the Premier advise the house whether his secret coinvestment package deal with Holden included an undertaking that there would be no wage reductions at Holden?

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Treasurer, Minister for State Development, Minister for the Public Sector, Minister for the Arts) (14:28): Our secret agreement with Holden was tabled in the South Australian parliament. All of its elements have been set out in here, so you can scrutinise all of those elements.

Mr Marshall: You have no idea what the conditions were.

The Hon. J.W. WEATHERILL: Well, it has been set out in its terms in the parliament, and you can scrutinise it and make your own judgements.

Mr MARSHALL: Supplementary.

The SPEAKER: Before the supplementary, I was in error earlier. I called the deputy leader to order; in fact, she is warned a first time. Leader.

GM HOLDEN

Mr MARSHALL (Norwood—Leader of the Opposition) (14:29): My supplementary is to the Premier. Does the government support Holden's bid to reduce wages?

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Treasurer, Minister for State Development, Minister for the Public Sector, Minister for the Arts) (14:29): No, of course we don't. We think workers should not face reductions in their terms and conditions of employment, but it is a matter for Holden to have a negotiation with their workforce. We do not intrude in their industrial relationship. We have well worn paths for the way in which those matters are dealt with. It is called an independent Industrial Relations Commission under Fair Work Australia. That is how industrial relations are regulated in this country. We would expect that the industrial parties will abide by that industrial framework, and that provides for protections for workers in relation to their terms and conditions of employment.

I think it is a rather large assumption that there will necessarily be reductions in pay and conditions; that has not been concluded. I know that there is an existing enterprise bargaining agreement between Holden and its workforce. In fact, that was concluded after the agreement that we entered into with Holden, and we would expect that that would be complied with. If there is to be any change to that, it would have to be a change that was agreed to by the relevant union and presumably blessed by the independent tribunal.

HEALTH AND BIOMEDICAL PRECINCT

Mrs VLAHOS (Taylor) (14:29): My question is to the Premier. Will the Premier update the house on the recent investment announced to support the development of the biomedical precinct?

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Treasurer, Minister for State Development, Minister for the Public Sector, Minister for the Arts) (14:30): I thank the honourable member for her question. Last weekend, it was announced that the commonwealth government would contribute \$100 million to two new major health and biomedical facilities in Adelaide to be co-located with the new Royal Adelaide Hospital and the South Australian Health and Medical Research Institute.

This agreement was reached after extensive negotiations between the commonwealth and the South Australian government, and these significant new developments will further transform Adelaide's West End. The combined result will be the largest health and biomedical precinct in the Southern Hemisphere. The commonwealth's new investment includes \$60 million towards a medical school and nursing school for the University of Adelaide which will support more than 1,550 students and 1,000 clinicians and researchers.

The facility will focus on serious health concerns such as cancer, and the other investment is an investment by the University of South Australia which concerns its Centre for Cancer Biology. The investment by the University of Adelaide will focus on serious health concerns, such as cancer, heart disease and obesity. The new clinical health building will bring the university's medical and nursing schools together, maintaining the essential connection between the medical school and the hospital and will allow teaching, research and patient services to be offered from the same location.

The commonwealth funding, as I said: \$40 million has also gone to the University of South Australia for a new cancer research facility backed by a strong partnership between the University of South Australia and the Centre for Cancer Biology. Also, 250 researchers investigating blood cancers, such as leukaemia and lymphoma, will be involved in the new centre. The Centre for Cancer Biology is one of Australia's top research centres, and this new investment will support growth in their expertise and the scope of their research outcomes.

Importantly, this new investment leverages the \$2.1 billion investment made for the new Royal Adelaide Hospital. For those opposite who talk about false economies, this is what happens when you have high quality public investment; it causes other parties, in this case, the tertiary sectors and the commonwealth, to invest. So we are seeing two buildings which will be in excess of \$200 million each being leveraged by the state government's \$2.1 billion investment.

It does a number of other wonderful things: it attracts the best and brightest to come here to South Australia. We know that many of our clinicians are attracted by the quality of the research and teaching opportunities that they can have. They are not just interested in the high quality work in the hospitals in a treating sense. They are also interested in what research they can do because they see their careers as a much broader thing than just the clinical aspects.

It will fundamentally change the way healthcare services are delivered and it will provide jobs, investment and commercial opportunities in this bioscience precinct. It will also provide a crucial extension of the construction activity. The \$10.1 billion build that is going on across South Australia by virtue of the public investments that we have made is now beginning to see a private sector response, just as we are seeing a bit further down the Riverbank. It is a very exciting time for the health sector and this vibrant bioscience precinct which is part of a very exciting Riverbank area.

CARBON TAX

Mr MARSHALL (Norwood—Leader of the Opposition) (14:33): My question is to the Premier. As Holden has today flagged the need to make 'significant annual cost savings', will the Premier now lobby the Primer Minister to abolish the carbon tax, which costs the car industry over \$40 million each and every year?

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Treasurer, Minister for State Development, Minister for the Public Sector, Minister for the Arts) (14:34): Can I say in response to that question, of all of the discussions we have had with Holden, not once have they raised the carbon tax as an issue of concern about which they would seek some relief from either the commonwealth or the state government. Indeed, I think what is beginning to emerge internationally is a consensus that all countries will be moving to put a price on carbon.

Members interjecting:

The SPEAKER: Will the Premier be seated? I call the leader to order.

The Hon. J.W. WEATHERILL: He only needs to look as far as China or as far as California to realise that this is a movement spreading across Europe and the rest of the world. I know those opposite have their vision firmly fixed on the rear-vision mirror. We are looking forward to a carbon constrained future, and I think it has been a sensible decision to grapple with the element of a carbon constrained future by putting a price on carbon. It will have to happen. Everybody accepts that the first movers will be best placed to take advantage of an economy restructured in that fashion. So, it is a fact of life, and companies like Holden appreciate that and they do not seek to advance propositions about that. It is only the Liberal Party that has advanced those propositions for its own spurious political purposes.

We know that there is one party in this chamber that does not have a policy in relation to car manufacturing. They are going to outsource that, along with three other committees too, after the election. We have a policy on car manufacturing, that is, that we want to keep it. That involves investing in it, and that involves imagining a future for Holden. That is why we entered into the arrangements we did with Holden, and we take that view because it is one of the few complete supply chains that we have in manufacturing in this nation.

It is absolutely crucial for us to make the transition from our manufacturing sector as it is today to an advanced manufacturing sector. All of the expert advice is that we cannot allow this sector to fail before we have the plans to transition it to the next phase of its development. It will be a different car industry in the future, but it will require us to take those steady steps between now and 2022 to ensure that those workers and their jobs are secure, that they have the skills that will allow them to make the transition into a growing economy—an advanced manufacturing economy—that we believe is the future for this state.

The SPEAKER: Arising out of that last answer, I warn the members for Heysen and Morialta for the first time for repeatedly interjecting. I call the member for Kavel to order for his cackling, and I also call the Minister for Transport Services to order for her interjection. The member for Giles.

APY LANDS, HEALTH

The Hon. L.R. BREUER (Giles) (14:37): My question is to the Minister for Health and Ageing. Can the minister tell the house about new investment in the Closing the Gap health strategy and activities underway in the APY lands to support those most in need in our Indigenous communities?

The Hon. J.J. SNELLING (Playford—Minister for Health and Ageing, Minister for Mental Health and Substance Abuse, Minister for Defence Industries, Minister for Veterans' Affairs) (14:37): I thank the member for Giles for her question. She has significant experience and interest in Indigenous Australians who live in the Anangu Pitjantjatjara Yankunytjatjara lands, and I thank her for her interest and her advocacy in this area. The current National Partnership Agreement on Closing the Gap in Indigenous Health Outcomes was signed in December 2008.

The signing of this agreement was an important investment in programs that contribute to longer-term targets of closing the gap in Indigenous life expectancy in a generation. It was also aimed at the goal of halving the gap in Indigenous child mortality for children under five years old within a decade. I acknowledge the contribution of my predecessor, the honourable member for Kurna, in prioritising Indigenous health on a broader health agenda, and also the federal government's confirmation that they will continue funding for the Closing the Gap strategy.

The South Australian implementation plan under the agreement has provided \$53.89 million over four years to deliver 29 programs to our Indigenous community. I am pleased to inform the house that there have been good results from carrying out many of these programs. For example, the Early Childhood Development program, which was implemented in 2012 in consultation with the Anangu community on the APY lands, has increased access and engagement to intensive parenting support services for Aboriginal families. The Child and Adolescent Mental Health Service program in the APY lands provides consultation and assessment of children and young people through referrals from clinics, schools, Families SA and the community via a visiting and land-based service to the APY lands.

In 2012, the program has provided approximately 700 occasions of mental health services to Aboriginal children and young people. The Aboriginal Family Birthing program has had success

and is contributing to lowering mortality rates for Aboriginal children in South Australia. The Oral and Dental Health program has seen a 6 per cent increase in the number of Aboriginal children and adults attending the SA Dental Service, with 14 per cent of Aboriginal preschool children attending the School Dental Service.

Because of the success of programs under the Closing the Gap strategy, the state government is committing an additional \$32 million over three years from 2013-14 in programs we know have evidence of effectiveness and in areas where program delivery is most needed. We are also investing an additional \$3.5 million over two years to continue and expand therapeutic services in response to problem sexual behaviour on the lands.

I think all members know there are no easy fixes available to the complex needs of our communities on the lands, given the remoteness and other issues they are confronted with every day, but I am glad that where programs have shown results this government continues to support them. Later this year I am looking forward to travelling to the APY lands to listen to the concerns of locals on the lands and see firsthand how the state government's investments are making a difference to these communities and what we can do to continue to improve health outcomes for the Aboriginal and Torres Strait Islander people living here in South Australia.

STATE BUDGET

Mr MARSHALL (Norwood—Leader of the Opposition) (14:41): My question is to the Premier. Why should the public trust that the government will achieve a \$661 million surplus in four years' time—the largest surplus in 19 years of budget records—given that the government is currently running a \$1.3 billion deficit, the largest in this state's 176-year history?

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Treasurer, Minister for State Development, Minister for the Public Sector, Minister for the Arts) (14:41): Because we have made prudent decisions to make savings, constrain our own expenditure and show a pathway of reductions in deficits, small surpluses and then growing surplus in the fourth year that you mentioned. Also, if you want further evidence of the way in which this government goes about its work, you can look at the periods between 2002, 2003, 2004, 2005, 2006, 2007 and 2008 where surpluses were achieved, where government debt was paid down such that there was no government debt, and that is the sensible thing to do. When times are good, you make savings, you pay down debts, you prepare yourself for circumstances when you need to make investments.

We then made our public investments because there needed to be investments in public infrastructure because, frankly, there had not been sufficient investment in public infrastructure so we began to make those investments. The global financial crisis hit, which devastated revenues, and we made a choice to maintain our investments in those productive capital investments to ensure that jobs were sustained during a period of uncertainty. Perhaps if those opposite spent a little more time focused on the positive future of our state rather than actually talking South Australia down, a little less time practising in front of the mirror and a little more time focusing on the issues that face South Australia, then we would hear something—

Mr Marshall interjecting:

The Hon. J.W. WEATHERILL: And forced laughter to cover up the complete lack of ideas.

Mr Pisoni interjecting:

The SPEAKER: I call the member for Unley to order.

CULTURE AND THE ARTS

Mrs GERAGHTY (Torrens) (14:43): My question is to the Minister Assisting the Minister for the Arts. I ask the minister to update the house on the new investments being made in our state's major cultural institutions.

The Hon. C.C. FOX (Bright—Minister for Transport Services, Minister Assisting the Minister for the Arts) (14:43): I thank the member for this very important question. South Australia's major cultural institutions, including the Art Gallery of South Australia, the South Australian Museum and the State Library, are at the core of this state's cultural heritage and continue to contribute enormously to our status as the festival state.

This government's commitment to our cultural boulevard has been demonstrated by an additional investment of \$18.2 million over four years to underpin their future, given that art and

culture are the foundation of any vibrant city including our own. In addition, this government has invested a further \$6 million for infrastructure works at the Festival Centre.

In Adelaide we are extremely fortunate to have our major cultural institutions in the same area—that is, along North Terrace—and our additional investment in this precinct will allow these institutions to continue to pursue blockbuster exhibitions such as *Turner from the Tate*, which drew people from not only South Australia but also interstate and overseas. In fact, some 35 per cent of our visitors to this exhibition came from interstate and overseas, and I think that is a demonstration of just how successful it has been.

These exhibitions help to increase visitors to our city, as well as create vibrancy along North Terrace, especially when the hours are extended into the later evenings. The additional investment of \$18.2 million over four years will assist these institutions in maintaining the quality of their collections and finding new ways to attract people to see them, while demonstrating this government's commitment to the cultural life of this state.

The cultural institutions play a key role in the Adelaide Festival, the Fringe and other events, and the additional investment will support enhanced programming for the younger South Australians, with exhibitions targeted at children from the earliest age and preschoolers to primary and high school students across the state.

Very recently, the Art Gallery of South Australia opened a \$600,000 studio just for children, an educational centre that was in fact opened by the Premier, and that has proved to be an enormous success already. We recognise that cultural institutions no longer exist necessarily between just four walls and that is why this additional investment will also support the expansion of online content and regional tours, making them more accessible to people all over South Australia, Australia and the world.

STATE BUDGET

The Hon. I.F. EVANS (Davenport) (14:46): My question is to the Premier. Why should the public believe that the government will deliver future surpluses as budgeted, given that it has promised \$2.6 billion worth of surpluses over seven years, but is now budgeting \$3 billion worth of deficits in those years, a turnaround of some \$5.6 billion?

The SPEAKER: Questions that are framed, as today's opposition questions have been, as 'Why should the public believe...?' are very wide in scope and accordingly the opposition should not complain about the answers. The Premier.

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Treasurer, Minister for State Development, Minister for the Public Sector, Minister for the Arts) (14:46): I am happy to answer the question, Mr Speaker. Essentially, the turnaround that has occurred from what was forecast and the results that have occurred has been principally revenue effects.

Mrs Redmond: You're getting more revenue than you budgeted for.

The Hon. J.W. WEATHERILL: Principally revenue effects. We now have revenue as a proportion of the economy falling to the lowest levels since 2002. We have reducing levels of taxation revenue coming from the economy.

Mr Marshall: That's not true.

The Hon. J.W. WEATHERILL: Well, it simply is true.

Members interjecting:

The Hon. J.W. WEATHERILL: It simply is true. It is published in the budget papers.

Members interjecting:

The Hon. J.W. WEATHERILL: No, revenue as a proportion of the economy has fallen to its lowest level since 2002.

Ms Sanderson interjecting:

The SPEAKER: I call the member for Adelaide to order.

The Hon. J.W. WEATHERILL: And the reason why you should have confidence in the forecasts is that, despite the fact that revenue has increased modestly over the forward estimates, they have been reduced further by \$353 million since the Mid-Year Budget Review. What we have

are further writedowns in gambling tax, payroll tax, stamp duty receipts and GST receipts, because of the conservative assumptions that we have made about revenue growth into the future.

People should have confidence about those revenue forecasts because they are at relatively low levels. What we have seen is writedown after writedown after writedown. There is a point at which one begins to have confidence in the fact that these are very conservative estimates, especially when you see the proportion of the economy.

Mrs Redmond: No, not when you get them wrong every time.

The Hon. J.W. WEATHERILL: Don't take my word for it. Take the word of the chief economist at St George Bank, who at the breakfast that we had to discuss the budget was asked directly by the audience, 'What do you think of the revenue estimates? What do you think of the forecast of growth in the budget?' He said they seemed reasonable and that he believed that the Treasury forecasts were conservative and reasonable.

All we are doing is forecasting a return to trend growth in relation to some of our own tax revenue. We have in fact written down some of the estimates for next year in relation to the value of property transactions, so the value of properties around which transactions will occur. That flows through the forward estimates. We have written down those other estimates. You can see what our budget has published in terms of new spending.

You have seen how we have made savings through our contingencies and the funds that are coming from the commonwealth. That is why you should have confidence. The truth is that, if those opposite really cavilled with the projections that we made, the time to do that would have been in the budget reply. But we had none of that. We had no serious critique of the budget. All we had was the bland—

Members interjecting:

The SPEAKER: The Premier should not make reference to a debate before the house.

The Hon. J.W. WEATHERILL: Thank you, Mr Speaker. I will not refer to the debate before the house, but these words were repeated outside the house. It was described by those opposite as a dangerous budget, yet by all of the major commentators, including the *Financial Review*, *The Australian* and the venerable institution *The Advertiser*, it was described as a cautious budget—a cautious, prudent budget. Those opposite are completely out of step with the preponderance of opinion about the budget settings.

The SPEAKER: I call the members for Schubert and Hammond to order. I warn the member for Kavel for the first time and I warn the member for Heysen for the second and final time. The member for Ashford.

BIO INNOVATION SA

The Hon. S.W. KEY (Ashford) (14:51): My question is directed to the Minister for Science and Information Economy. Will the minister inform the house about the significance of the new bioscience facility secured by Bio Innovation SA?

The Hon. G. PORTOLESI (Hartley—Minister for Employment, Higher Education and Skills, Minister for Science and Information Economy) (14:51): Yes, I can provide a response to the member. This government appreciates, very much, the significance and importance of supporting and encouraging high value industries and sectors here in South Australia, and our bioscience sector has a great track record of generating exports, jobs and economic benefits for South Australia—no doubt, to be spurred along even further by investments made by the federal government on the weekend.

There are around 100 innovative bioscience companies in South Australia that employ about 1,700 people. Bioscience is a major exporter. In 2012, it is estimated to have generated around \$100 million in exports for South Australia. The state government supports this sector, mainly through the outstanding work of Bio Innovation SA. Our investment in BioSA has totalled nearly \$70 million since 2005, and over many years we have seen the success of that particular model.

I recently again visited the Thebarton Bioscience Precinct, and it was very clear how BioSA has been turning what are fantastic ideas into very successful commercial ventures. It takes early stage companies and offers them assistance with, for instance, such things as mentoring, professional development, networking opportunities and, of course, very important and very

strategic financial assistance. Of course, the bioscience incubator at Thebarton provides tenants with shared access to laboratory equipment and other facilities. This approach is important for new companies because the cost of advanced—

The Hon. A. Koutsantonis interjecting:

The Hon. G. PORTOLESI: Please tell him off, Mr Speaker. This approach is important for new companies, because the cost of advanced lab equipment, for instance, can be a barrier to getting that great idea off the ground. I am very pleased to report that the incubator has been a huge success, with 100 per cent occupancy for the last four years. However, it is starting to become a victim of its own success. The businesses are starting to outgrow the incubator and are clamouring for more space, so I am very pleased to report that BioSA has secured a new facility virtually next door to the existing incubator, and that will allow new companies to move in and existing companies to grow.

The new BioSA Tech Hub, as it is called, will increase the incubation space, and the companies will include and cover a range of fields such as information technology, device manufacturing and pharmaceuticals, for instance. We are very proud of this investment. We are very proud of the work that has been done under the leadership of Jurgen Michaelis, and I would also like to acknowledge Mr Dennis Mutton, who is Chair of BioSA. I wish them all the very best for the future.

PATIENT ASSISTANCE TRANSPORT SCHEME

Mr BROCK (Frome) (14:54): My question is to the Minister for Health and Ageing. Minister, can you please update us on your recently announced review into the Patient Assistance Transport Scheme and advise whether the residents of Frome will be able to comment or participate in that?

The Hon. J.J. SNELLING (Playford—Minister for Health and Ageing, Minister for Mental Health and Substance Abuse, Minister for Defence Industries, Minister for Veterans' Affairs) (14:55): I thank the member for Frome for the question and acknowledge that he, in fact, moved a motion in this place for my department to undertake a review and it was a suggestion I am more than happy to take up. I am happy to say that preparations for the review of the Patient Assistance Transport Scheme have now been completed.

The government has invested in regional hospitals and health services to bring treatment options directly to regional communities. We know that accessing treatment closer to home means that patients in country South Australia and their families have a better quality of life and can deal more effectively with the challenges of treatment, but it is inevitable that many patients have to make the trip to Adelaide or other regional centres for procedures and access to specialist care. The PAT Scheme is designed to assist those patients with the financial burden of their trip—a burden that can often be difficult to manage when coupled with the strain of illness.

As members would be aware, I recently announced that SA Health would conduct a review of the PAT Scheme to ensure that assistance is provided fairly and efficiently within the scheme's existing resources. Today I am pleased to announce that SA Health has appointed leading healthcare expert Dr David Filby to conduct the review, which will investigate all key elements of the scheme, including reimbursement rates and eligibility.

Dr Filby is a senior adviser to the Australian Health Minister's Advisory Council and a former executive of SA Health, who has worked extensively across the Australian healthcare sector. Dr Filby also chairs the National Health Information Standards and Statistics Committee, and his previous roles include SA Health executive director, policy and intergovernment relations, and, in Queensland Health, deputy director-general, policy and outcomes. He has the right blend of knowledge, skill and experience to carry out this important review.

In response to the member for Frome's question, I can assure him and his community that they will have an opportunity to contribute to the review and to inform Dr Filby of their lived experience. A draft consultation paper is expected to be released for public consultation in August. I encourage local members and their communities to contribute to that process.

Finally, I once again thank the member for Frome and the members for Giles and Mount Gambier for their leadership and advocacy on this important issue. Their hard work will ensure that their communities have access to fair and equitable assistance when they need it most.

The SPEAKER: The member for Mount Gambier has a supplementary.

PATIENT ASSISTANCE TRANSPORT SCHEME

Mr PEGLER (Mount Gambier) (14:57): Have the terms of reference for this review been developed and will they be released to the public?

The Hon. J.J. SNELLING (Playford—Minister for Health and Ageing, Minister for Mental Health and Substance Abuse, Minister for Defence Industries, Minister for Veterans' Affairs) (14:57): The terms of reference have been developed. I have them here, and I can provide them to the member for Mount Gambier after question time. They will also be put on the Department for Health website this afternoon.

STATE BUDGET

The Hon. I.F. EVANS (Davenport) (14:57): My question is to the Premier. Why does the Premier call his revenue forecast conservative when the Premier forecasts that stamp duty revenue will grow at 12 per cent a year over the forward estimates, which is double the stamp duty revenue growth rate in the last 10 years?

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Treasurer, Minister for State Development, Minister for the Public Sector, Minister for the Arts) (14:58): In terms of the estimates that we make around stamp duty, if one looks at the historical series in relation to stamp duty, it oscillates very broadly. What we have actually seen in recent times are some of the lowest levels of stamp duty transactions in the historical record and, up until quite recently, we have been in a fairly significant trough.

I can inform the house that the most recent data we have—in fact, data that has emerged since the state budget has been finalised—demonstrates that the estimates we are making are in line with the data that we are actually receiving. That is good news. It fortifies us in the estimates that we have made. But essentially what we are doing is estimating that stamp duty transactions will return to trend. That trend—

Members interjecting:

The Hon. J.W. WEATHERILL: Well, just relax. That trend has actually been falling consistently over a period of time as we have been plugging in new data about the lower levels of transactions, so it is a falling trend. It returns over the forward estimates in relation to our conveyancing transactions to trend, and I am happy to demonstrate that to the honourable member.

STATE BUDGET

The Hon. I.F. EVANS (Davenport) (14:59): My question is again to the Premier. Why is the Premier's GST revenue forecast \$1.5 billion higher over the forward estimates than the federal estimates for the same period?

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Treasurer, Minister for State Development, Minister for the Public Sector, Minister for the Arts) (14:59): That is a good question. The way in which the state Treasury estimates GST receipts is to plug in some additional data that we are familiar with that allows us to estimate more accurately the receipts that we will get in the future. One classic example is the effect that backing out of very large capital expenditure, where we receive more than our national averages, has on our GST receipts.

You will notice that, in one of the years in the forward estimates, there is a large jump in GST receipts—I think it is the third year of the forward estimates. That is explained by the fact that some very large benefits that we received in capital investments are now being washed out of the GST system. So, we would be losing GST receipts by virtue of the operation of HFE that is washed out in that year, so then our GST jumps back to what it ordinarily would be on our population share.

We have all that data. We plug that in. We use the commonwealth's data, and that is why there is a difference between the commonwealth data and the data that we use. It is more refined data which gives a more accurate picture about what will come into South Australia.

STATE BUDGET

The Hon. I.F. EVANS (Davenport) (15:01): I have a supplementary. Can the Premier confirm, when calculating his GST revenue forecasts, whether he uses the same economic assumptions as the federal government does for South Australia in its budget, or does the Premier use a more pessimistic economic forecast than the federal government does in its budget?

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Treasurer, Minister for State Development, Minister for the Public Sector, Minister for the Arts) (15:01): No, I do not think we seek to make judgements about the GST receipts that are going to come in based on the level of retail activity, if that is the nature of the question that is being sought. We accept the commonwealth's assumptions about retail activity, which are very pessimistic.

The Hon. I.F. Evans: Population?

The Hon. J.W. WEATHERILL: The population data comes from the ABS and that gets plugged straight in as well. The only thing that really varies substantially is this effect of washing out, essentially, where we get over the odds or under the odds, in some cases, of funding that goes to other states, and that finds its representation in the GST formula. So, we do not put in our own estimates that vary from the commonwealth about GST receipts that we are going to receive.

CORRECTIONAL SERVICES

Ms THOMPSON (Reynell) (15:02): My question is to the Minister for Correctional Services. Can the minister update the house on how the state government is investing in our correctional services?

The Hon. M.F. O'BRIEN (Napier—Minister for Finance, Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety) (15:02): Over the next four years, the South Australian Labor government will invest a total of \$67 million to increase prison bed numbers and assist in the operation of our state's expanding prisons. Included in this is \$2.9 million over four years to establish and operate a bail accommodation support program, whereby short-term accommodation will be provided for low-risk alleged offenders of nonviolent crimes on bail to ease pressure on the state's prisons. This program will provide an alternative to remanding low-risk alleged offenders who are put in prison because they are from remote areas, do not have suitable bail accommodation or are homeless.

From 2015-16, this program will allow approximately 30 alleged offenders to maintain links with family, employment, education and commonwealth support services, all the while remaining under the supervision of the Department for Correctional Services. As the alleged offenders will no longer be kept in custody at the Adelaide Remand Centre or Yatala Labour Prison, it is expected that hundreds of prison beds could be made available over a 12-month period.

The \$67 million funding commitment will also bolster the operation of three of the state's expanded prisons, with the government providing \$25.4 million for the expanded Mount Gambier Prison, \$6.3 million for the expanded Adelaide Women's Prison and \$6.2 million for the expanded Port Lincoln Prison. The \$25.4 million provided over three years for the Mount Gambier Prison will be allocated for the construction of a 60-bed, low-medium security accommodation unit.

This new unit is in addition to the construction of a 108-bed accommodation unit, which is scheduled for completion in June, and a 20-bed accommodation unit at the Adelaide Women's Prison, scheduled to be finished in November. The expansion of the Mount Gambier Prison is providing extra jobs in the region, including a number of long-term secure positions, which will further assist with regional employment. These investments will ensure that the state's expanded prisons are adequately staffed, safe and secure.

The SPEAKER: A supplementary from the member for Fisher.

CORRECTIONAL SERVICES

The Hon. R.B. SUCH (Fisher) (15:05): My question is back to the minister. Is there increased expenditure on rehabilitation and training for prisoners in your proposals?

The Hon. M.F. O'BRIEN (Napier—Minister for Finance, Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety) (15:05): Yes, there is, and I can get further detail. You may be aware that we have commenced a program with Flinders University to allow prison inmates to do the preparatory work so that, on their release, they can undertake a university qualification, and we have a number of vocational programs already in place. My understanding is that this funding will allow additional prisoners, but I will get the firm details.

The SPEAKER: The member for Stuart has a supplementary.

CORRECTIONAL SERVICES

Mr VAN HOLST PELLEKAAN (Stuart) (15:06): Does the \$67 million that you mentioned for those four projects include both the costs required for the building of the facilities and also the operational budgets required to operate them after they are built, throughout the forward estimates?

The Hon. M.F. O'BRIEN (Napier—Minister for Finance, Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety) (15:06): Yes, they do, and I think that point is specifically referred to in the budget. This is both for capital and for recurrent expenditure.

STATE BUDGET

The Hon. I.F. EVANS (Davenport) (15:06): My question is again to the Premier. Why is the Premier claiming that his revenue forecasts are very pessimistic or based on pessimistic assumptions when the Premier is forecasting stamp duty revenue to grow at 12 per cent, payroll tax revenue to grow at 7 per cent and GST revenue to grow at 7 per cent a year? All of these are well above his economic growth forecasts.

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Treasurer, Minister for State Development, Minister for the Public Sector, Minister for the Arts) (15:07): I thank the honourable member for his question. There is not a direct correlation between the economic growth forecast and the growth in those revenue estimates. I simply repeat what the chief economist at St George Bank said: that these are conservative estimates based on what he believes are the usual conservative approaches that treasuries take.

We would have liked the advice that comes to us from Treasury for these to be rosier estimates. It would have provided us with a greater capacity to either return to surplus more quickly or apply it to some other spending purposes. It would have given us greater options, but that is not the advice we received. We do not double-guess that advice we get from Treasury; it is something that they supply to us. It is not something that is supplied through the political process. It is essentially the same approach that would have been taken when you were in government: Treasury officers come up with these estimates.

The reference I made to pessimism was the fact that we are looking at property transactions which are at extraordinarily low rates, and we are looking at retail transactions at extraordinarily low rates. So, the increases that we are seeing—and the retail figures, of course, are national retail figures. There are not state-based retail figures fed into those numbers, so they are national retail figures. There is some evidence that they are beginning to lift and there is some strong evidence that there is a return in our local property market, which underpins the basis for the estimates that we have made.

STATE BUDGET

The Hon. I.F. EVANS (Davenport) (15:09): My question is to the Premier. Why has the government been unable to control its expenditure and why has the government overspent this year by \$637 million?

The Hon. J.W. WEATHERILL (Cheltenham—Premier, Treasurer, Minister for State Development, Minister for the Public Sector, Minister for the Arts) (15:09): We do not accept that we have been unable to control our expenditure. Indeed, expenditure has fallen to extremely low levels. New expenditure since the global financial crisis came to pass has been very constrained. We have seen over 3,000 full-time equivalents shed from the Public Service, which has assisted us to continue to fund our priorities. We have had very modest growth in our expenditure, and we are forecasting further modest growth in expenditure over the forward estimates.

In the particular year that has just gone past, there are a few elements that bear on the deficit. One is obviously a very sharp drop in revenue, but also some of our spending actually was concluded in this financial year instead of being carried over in the next financial year. That was a substantial contribution to the increase in the deficit. Some of the savings initiatives that we chose, that we were proposing to make in some areas, have not been able to be achieved, so they will be achieved over a longer time line. Some of those have been dealt with in the Mid-Year Budget Review in the health sector, and there have been further ones undertaken in this state budget.

One of the reasons you can have confidence in these numbers is that, in some of the savings initiatives which we have sought to make and which have proved to be difficult, we have altered the time line, or changed or even abandoned some of them. So, the savings that we seek to make, which we do not pretend are easy, are ones that are realistic; so that these are numbers that can be relied upon.

For each of the four years of the forward estimates we are projecting an improvement in our budgetary position, such that by the end of the forward estimates there will be strong surpluses and a reduction in debt—\$450 million reduction in debt—without hacking and slashing into the South Australian public sector.

I note the leader talked about this 'bound' now, somewhere between 5,000 and 20,000. No doubt he will tell us what not a massive cut is in that bound, somewhere between 5,000 and 20,000 people to be lost from the public sector. We look forward to him revealing to the South Australian people what its intentions are.

INDUSTRY PARTICIPATION ADVOCATE

The Hon. J.D. HILL (Kaurna) (15:12): My question is to the Minister for Small Business. What government assistance is available to the Office of the Industry Advocate?

The Hon. T.R. KENYON (Newland—Minister for Manufacturing, Innovation and Trade, Minister for Small Business) (15:12): I thank the member for Kaurna for his question. Members will recall that I recently updated the parliament on how we have already seen examples where the Industry Participation Advocate's early involvement has resulted in positive outcomes for local businesses. The office has been advocating for RPC pipe systems with regard to the Port Wakefield pipeline project, and the advocacy has delivered benefits to that firm, which has 80 skilled employees at Lonsdale.

I am pleased to now inform the house that this state government's newly created independent Industry Participation Advocate has been given a further funding boost of \$440,000 over the next two years to help local businesses win more government contracts. This funding has been allocated for specific initiatives to assist the Industry Participation Advocate in his task of aiding small businesses by reviewing past practices and identifying opportunities to increase local participation in government contracts.

South Australia has a diverse range of small and medium-sized enterprises which are developing innovative solutions for the problems which government agencies are facing, but it is often difficult for government buyers to know about all of these new developments in the markets that they buy in. This is why this government is funding a series of Connecting with Business events planned for later this year, aimed at bringing together local businesses and senior government project and contract managers.

These sessions will highlight the capabilities of local businesses to help access and secure contracts with state government agencies. This will raise the awareness of agency procurement staff about who is in the market and what products or services exist that they may match to their needs. These sessions will also provide opportunities for government representatives to provide feedback to companies about their business, products and services, and how they can better sell themselves in future tenders.

Each Connecting with Business event will include: presentations from government buyers about procurement process; what they are seeking from suppliers and upcoming opportunities; buyer stands where local suppliers can speak directly to purchasers; presentations from companies who have been successful in winning government contracts; information about procurement approaches and trends; and opportunities to network with other companies with a view to forming joint ventures or identifying subcontracting opportunities.

Funding has also been directed at allowing the advocate to help government agencies to simplify their procurement processes and cut the costs incurred by businesses when applying for government work. I encourage all members of the house to take the opportunity to refer matters of this nature to that office. The general office email address is oia@sa.gov.au and the phone number is 8226 8956.

INDUSTRY PARTICIPATION ADVOCATE

The Hon. I.F. EVANS (Davenport) (15:14): I have a supplementary question for the minister. Is there anything that the Industry Participation Advocate is doing, or is proposed to have done, that cannot be done by the Procurement Board?

The Hon. T.R. KENYON (Newland—Minister for Manufacturing, Innovation and Trade, Minister for Small Business) (15:14): The Procurement Board oversees the actual contracting for arrangements, if I am correct, whereas this is far more involved with actual businesses in the marketplace and connecting them with purchasing so that government agencies are aware of products and services available in the marketplace, making it easier for those companies to involve themselves in government tenders and hopefully simplifying the tender process right at the very start, allowing local businesses greater access to those contracts.

BEST JOBS IN THE WORLD CAMPAIGN

Mr ODENWALDER (Little Para) (15:15): My question is to the Minister for Tourism. Can the minister update the house about the Best Jobs in the World campaign?

The Hon. L.W.K. BIGNELL (Mawson—Minister for Tourism, Minister for Recreation and Sport) (15:15): I thank the member for Little Para for the question. At the moment we have joined forces with five other states and territories and with Tourism Australia to promote the best job in the world and we are giving away six prizes to people from overseas in the youth market, that is the 15 to 29 age group, which represents 26 per cent of visitors to Australia. It is also one of those groups where the people who come in that age group are more likely to get out into the regions as well.

When I was up in Port Pirie, the member for Frome and I walked out of the visitor information centre one day and we ran into a couple of French tourists. I was in Renmark a few weeks ago and ran into four pastry chefs, again from France. So many of you in the chamber would know that this youth market from overseas is very popular indeed.

South Australia and New South Wales were about dead level on how many applicants we had. For South Australia it was about 8,100. The job that we are offering is wildlife caretaker, so the whole theme is to get people up close and personal with our furry critters and some of those that aren't so furry like sea lions and great white sharks.

On Saturday I went up to Cleland and met the three finalists for the South Australian job: Cee-Cee from Taiwan, Greg from Canada and Nick from the USA. We were there with Olivia the snake. Olivia is a python who stretched around all four of us and she is only a quarter of her potential length, so she is going to be a big girl when she grows up.

After they had been to Cleland, they took off to beautiful Port Lincoln where they went swimming with the sea lions. They had a fantastic time over there, and anyone who is on Facebook or social media can follow their adventures. They were on Kangaroo Island—and I am sure the member for Finniss was happy to have them over there—tweeting and Facebooking and doing all the social media stuff that they do and really putting South Australia on the map in that demographic. The marketing campaign is done—everything that we could possibly have asked for so far, and they will continue to get around the state.

I want to thank you, Mr Speaker, for allowing us in here a couple of months ago to launch this competition. We had a couple of beautiful little joeys running around in the chamber before parliament started for the day and those images went right throughout Asia, thanks to Nick Harmsen getting that on the ABC's Asian TV network.

I would also like to thank Ann Pashley and Robyn Van Blyenburgh from the Native Animal Network group up in the hills for bringing those joeys in here. It was a great image that fitted in with exactly what we are trying to do here in South Australia: show off our natural attributes. Some of those are physical and some of those are the animals that we have. Stay tuned: the winner of the Best Jobs in the World for South Australia will be announced in Sydney on Friday.

457 VISAS

Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (15:18): My question is to the Minister for Transport and Infrastructure. Does the 457 visa held by Urban Renewal Authority CEO, Mr Fred Hansen, meet the standards required by Prime Minister Gillard?

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Transport and Infrastructure, Minister for Mineral Resources and Energy, Minister for Housing and Urban Development) (15:19): I am not sure that I regulate 457 visas. I will go back and check but I am sure that he has obtained his 457 visa legally. If you have any evidence to the contrary, please provide it now.

RAIL ELECTRIFICATION PROJECT

Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (15:19): My question is again to the Minister for Transport and Infrastructure. What is the total projected cost to electrify the Gawler rail line the whole way from Adelaide to Gawler?

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Transport and Infrastructure, Minister for Mineral Resources and Energy, Minister for Housing and Urban Development) (15:19): That project is not in the budget and the government has no plans to go all the way to Gawler, so I do not have up-to-date figures.

The SPEAKER: A supplementary.

RAIL ELECTRIFICATION PROJECT

Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (15:19): This question is to the Minister for Transport. Given that the government has claimed that they haven't actually abandoned the Adelaide to Gawler project: they have simply deferred it, I will ask you whether you can identify what the last published total price was.

Mr Marshall interjecting:

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Transport and Infrastructure, Minister for Mineral Resources and Energy, Minister for Housing and Urban Development) (15:20): What we've done with Gawler—and the Leader of the Opposition interjected that we've put the poles up—what we want to avoid is what has happened with the Southern Expressway duplication where we have had to rebuild eight bridges because the members opposite built the one-way expressway, and they never ever—

The SPEAKER: Is this a point of order?

Ms CHAPMAN: Yes, it is clearly debate.

The SPEAKER: I will listen carefully to what the Minister for Transport has to say.

The Hon. A. KOUTSANTONIS: So, to avoid situations where we are rebuilding infrastructure twice because of duplication—for example, another productivity commissioner or another infrastructure body to assess things independently—and, rather than duplication of bureaucracy and infrastructure, what we're doing is prudently making sure that, if the government is ever in a position to electrify all the way to Gawler, we won't be going back and digging up lines.

What we're doing is prudently making sure that we don't have to go back and retrofit infrastructure, much the way we've had to with the duplication of the Southern Expressway. I think the humiliating aspect of today is that with less than a year to the election there is no transport policy from the opposition—nothing. Less than a year and no regional policy, no health policy—

The SPEAKER: Thank you, Minister for Transport, that is debate. Member for Bragg.

RAIL ELECTRIFICATION PROJECT

Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (15:21): My question again is to the Minister for Transport and Infrastructure. What has the government cut to pay the \$75 million offset provision in the rail revitalisation program?

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Transport and Infrastructure, Minister for Mineral Resources and Energy, Minister for Housing and Urban Development) (15:21): I won't have those details here. I thought estimates was after the budget process passed, but I will get those estimates answers for the member and get back to the house.

FREE-RANGE EGGS

Ms BEDFORD (Florey) (15:22): My question is to the Minister for Business Services and Consumers and concerns labelling. Can the minister inform the house about plans to introduce a new regulatory standard for free-range eggs in South Australia?

The Hon. J.R. RAU (Enfield—Deputy Premier, Attorney-General, Minister for Planning, Minister for Industrial Relations, Minister for Business Services and Consumers) (15:22): I thank the honourable member for that egg-cellent question!

Mr Pederick: Have a crack at the answer!

The SPEAKER: I will not warn the member for Hammond for that egg-cellent interjection!

The Hon. J.R. RAU: Would it be unparliamentary to refer to a person as a 'yolkel'? Anyway, the Premier has spoken about the importance of ensuring that South Australian producers get the support that they need. Our premium food and wine are already globally recognised. What this government understands is that we also need to add more value to our products to maximise the premium we receive above the basic commodity price

The issue of free-range eggs has been an issue for consumer affairs and primary industry ministers across Australia for many years, but the core issue to crack is the definition of free-range. Through my role as minister responsible for the Kangaroo Island Futures Authority, I was able to meet with Mr Tom Fryar of Fryar's Kangaroo Island Free Range Eggs, a great Kangaroo Island business that operates at best practice. Mr Fryar raised a number of issues: that there is no national legal definition of free-range eggs, and producers are not meeting generally accepted standards and have been abusing the term 'free-range' for many years.

The government will develop an industry code under the Fair Trade Act. The code will allow South Australian egg producers to adhere to a standard that will result in their product being badged as truly free-range. Free-range eggs bearing the logo will allow consumers to identify them as being truly free-range eggs but also a premium product from South Australia. On 16 June I released a discussion paper seeking submissions on this idea. As a starting point—

Ms CHAPMAN: Point of order, Mr Speaker. When you have finished with the Minister for Education, may I raise the point of order? The subject of the Attorney's debate, interesting and important as it is, is the subject of a bill before the house in private members' business.

The Hon. J.R. RAU: This has nothing to do with that bill.

Ms CHAPMAN: It's in relation to labelling.

The Hon. J.R. RAU: It has nothing to do with that bill.

Members interjecting:

The SPEAKER: I will listen to the Deputy Premier and perhaps the Deputy Premier, as part of his answer, will explain why it does not anticipate debate on that bill.

The Hon. J.R. RAU: Exactly. Thank you, Mr Speaker. As I was saying, it is proposed that the code will require producers to meet standards including a maximum density of 1,500 hens per hectare, unrestricted access to outdoor areas during daylight hours, outdoor areas to provide adequate shelter (wind breaks, shade and suchlike), and not to permit induced moulting. As a single state, the government believes this code is the best approach.

It is good for consumers, providing assurances about what they are buying. It is good for animal welfare, providing commercial incentives for producers to adhere to true free-range standards. It is good for industry because it is giving South Australian producers a symbol to help consumers recognise them as premium and truly free-range. Legislating in South Australia will not prevent producers from other states calling their products 'free-range' and selling them here, even if that is not—

Ms CHAPMAN: Point of order, Mr Speaker.

The Hon. J.R. RAU: Can I finish please?

The SPEAKER: No, apparently, you can't.

Ms CHAPMAN: Mr Speaker—

The Hon. J.R. RAU: I was asked to explain the difference between them and I am doing it.

The SPEAKER: Yes.

Ms CHAPMAN: The Attorney-General is suggesting to the house reasons why the current bill before the house wouldn't satisfy, he claims, the necessary ills to be remedied. That is not only

debating what is already in the bill in the house, but using this question time as a means to raise this issue which is clearly a matter for the debate. If the Attorney wants to raise the argument as to why the legislation currently before the house is not adequate to apparently deal with this ill, then let him—

The SPEAKER: As I understand it, it was you, member for Bragg, who took the point of order and consented to my asking the Deputy Premier to explain why it wasn't anticipated debate. Of necessity, that is going to involve canvassing the merits of the unrelated bill which is before the house, so the member for Bragg invited, through me, the Deputy Premier to canvass the merits. If she now doesn't want him to canvass the merits, I will ask him to abstain from that and merely answer the question.

The Hon. J.R. RAU: I would be happy to do so, Mr Speaker. I was responding to the earlier point. Now, can I get back to the point here? The important thing is this: what we will be able to do by using this logo, this branding, is stop people from interstate poaching our local brand. It is very important, so—

The SPEAKER: Deputy Premier, I am just going to ask the Clerk to start the egg timer.

The Hon. J.R. RAU: Mr Speaker, thank you for restarting the egg timer.

Mr Pisoni: John, it's all scrambled up.

The Hon. J.R. RAU: Look, you are making me get a bit hard boiled about this.

An honourable member: Stop cracking those dumb jokes.

The Hon. J.R. RAU: I know. He's a yolker back there. Anyway, I want to commend the member for Finniss who has been very vocal on this issue. Many of the state's key free-range egg producers are, in fact, in his beautiful electorate.

The Hon. R.B. Such: And they're \$8 a dozen in Melbourne if you buy them—

The Hon. J.R. RAU: Yes, and they are a bit cheaper than that here. They have been very helpful to me and the government with the development of this proposal. I also acknowledge the Hon. Tammy Franks for her support in relation to this matter. I encourage all South Australians with an interest in this very important topic to make a submission. Submissions will close on 19 July.

GRIEVANCE DEBATE

GM HOLDEN

Mr HAMILTON-SMITH (Waite) (15:29): I want to respond on behalf of the opposition to today's developments at Holden, because they are very worrying for all who have a stake in the future of that company. It must be made clear in this house and to the people of South Australia that Labor's failure to adequately engage with Holden over 11 years, and in particular its failure to sign off on Holden's \$275 million coinvestment last year, are the principal reasons the company faces an uncertain future today.

They are also the reasons workers are now being asked to accept pay cuts and improve productivity measures. The state Liberals are using the budget response this week to solidly reaffirm their support for a coinvestment package for Holden and to slam Labor for its complete and total failure and inaction. Federal and state Labor have had a chance to do more over recent years and they have failed.

Can I remind the house that this government, of which the current premier was a minister for the entire period, completely ignored manufacturing, preferring instead to talk up mining and defence. That was all we ever heard of: mining and defence. Manufacturing was categorised as some sort of a 'rust bucket' history upon which the state should no longer dwell, in the language that was used by the then premier and the then treasurer.

We always disagreed with that argument. We always argued that manufacturing should and does have a bright future if it properly transforms, but they did not want to have a bar of it. The current premier, apparently, was silent on the subject on his side of the house, because manufacturing was ignored.

The fact is that as far as SA investment and jobs are concerned, Holden is too important for state and federal governments to ignore. The \$275 million coinvestment package, which includes \$50 million from South Australia as a contribution, is essential, and it should have been

locked in over a year ago when the proposal was first put to the current state Labor government. Instead they prevaricated, they delayed, they let it drag on, and now it is in hiatus, awaiting the outcome of a federal election. We should not be in that position.

Of course, we heard the current Premier threatening Holden about that funding when they announced redundancies and other measures, and certainly stretching the matter out. We have had the absolute insult of the current Prime Minister overturning the \$500 million green car innovation fund that was put in place by her predecessor, Kevin Rudd, when he was prime minister. If we still had prime minister Rudd, perhaps we would still have that \$500 million fund.

The SA Liberals will be standing right beside Holden in the years ahead and sending the same message of support for the automotive industry to anyone involved in the decision-making process. Labor's attempts to misrepresent the Coalition's position and the state Liberals' position are a complete disgrace. In response to comments made by the Premier in answer to questions today, could I just point out that the \$1.5 million automotive transformation fund was put on the table when there were three carmakers.

There are now only two carmakers, and the coalition is going forward with a \$1 billion fund, which comprises more than enough money to deal with the coinvestment package required by Holden. It was the Gillard Labor government that scrapped the car innovation fund; it is the state Labor government that has failed consistently over 11 years to do enough for manufacturing, and in particular for the car industry. They just left it to its own devices and now we find ourselves in the position that we are in today. It has all happened on Labor's watch.

A future Liberal state government will be completely committed to an accountable and sustainable well targeted coinvestment in Holden, and we will be relentless in our support. Prime Minister Gillard and Premier Weatherill and a raft of Labor ministers, both federal and state, have made false promises and false starts, and have delivered ruin as far as Holden is concerned.

The companies, the workers and the union will need to work together now to work through the current issue in regard to remuneration and productivity questions. We wish them well. If we were in government we would be doing everything we could to support them. We hope that this government is doing likewise, but we have serious doubts as to whether it is. Frankly, the mess in the car industry has all happened on Labor's watch. It is their responsibility; they created the problem and they have done nothing to fix it.

Time expired.

PORT ADELAIDE AND PORT RIVER SAILING CLUBS

Dr CLOSE (Port Adelaide) (15:34): I rise today to speak about the wonderful Port Adelaide Sailing Club and the Port River Sailing Club. Just this weekend, the former held its presentation night, which was, as usual, a lot of fun as well as playing a serious role in celebrating the achievements of the club and its membership over the season. The Port River Sailing Club did the same a few weekends ago. These clubs have welcomed me as their new MP and have made me feel part of them and, for that, I am very grateful.

These two clubs are not large and they are not very wealthy. Their membership is largely, although not exclusively, drawn from the area of the Lefevre Peninsula in Port Adelaide. While not pretending to be an expert in boats and boating, I can inform the house that the major distinguishing feature between the two clubs is that the boats are brought to the Port River club for sailing, while the boats reside at the marina for the Port Adelaide club.

They are neighbouring clubs and, indeed, their membership overlaps considerably. The Port River club uses the Port Adelaide clubrooms for big events and there is evidently a great deal of comradeship between the two. What I love about these clubs is their absolute commitment to their communities. They have a great time out on the water, but they are both utterly committed to getting as wide a group as possible out there with them.

In the case of the Port Adelaide Sailing Club, they host Sailability SA (about which I have had occasion to speak in this place previously), which allows sailors with various disabilities to sail for fun and competitively. Several months ago, on an almost impossibly hot weekend, they held the state championships, and I was delighted to be part of events over that weekend, culminating in a very lively presentation ceremony.

It was terrific to see several of those sailors at the presentation night on Saturday, with many of them winning trophies, including the wonderful Ben Walter winning my inaugural youth

trophy for the Port Adelaide Sailing Club. Ben is a lovely young man whose sailing performance is fast eclipsing that of his father Shane as he accumulates trophies. Demonstrating how the two clubs are intertwined, his grandfather, Dennis Walter, is the patron of the Port River Sailing Club and is a true gentleman who has given an enormous amount of energy, wisdom and time to both clubs, as well as to the wider community.

The patron of the Port Adelaide Sailing Club, Mr Colin Adams, just celebrated his 97th birthday and has lived and worked around the Lefevre Peninsula periodically all his life, during which, amongst other things, he was the principal of Largs Bay primary. His connections to our community run deep and in his gentle and polite way he can tell you anything you need to know about the place.

Both Port Adelaide and Port River sailing clubs actively encourage young people, and I have been fortunate to attend school championships hosted by the Port River Sailing Club. I was delighted several weeks ago to be able to award my youth trophy for the Port River Sailing Club to Luke Unnasch, a very promising young sailor.

It is difficult to capture the spirit of the presentation nights. It is probably not appropriate to capture the detail. The gentle mockery, the awarding of prizes for accidental removal of breakwater rocks in attempting to negotiate a boat out of the marina, the T-shirts celebrating the notorious humbleness of one boat's crew are things not readily translated into a parliamentary speech. But the overall warmth of the clubs, the effort they put in voluntarily to make them work and the care they take to make everyone feel included are exemplified at the presentation nights, and prompted me to pay tribute to them in this place.

BAROSSA VALLEY PUBLIC TRANSPORT

Mr VENNING (Schubert) (15:38): I rise today to speak on a topic that I have raised countless times in this house previously. Despite raising the issue time and again, it is still one of extreme importance and relevance, particularly to those people in the electorate of Schubert.

Despite the Barossa being one of the state's most attractive tourist destinations, there still remains a significant shortage of affordable public transport options for people to get to and from the Barossa and travel within the region. Affordable public transport options are almost nonexistent. Yes, we have a bus service, but my argument is that, because this is an independent service, fees are not subsidised as highly as metro fees are.

Currently, the bus service is provided by Link SA, a commercial company that receives no government subsidy. To travel return from Angaston to Gawler is \$14.40 for an adult ticket or \$7.20 for a concession ticket. That is one way. The fare from Nuriootpa is \$11.80 adult or \$5.90 concession, and from Tanunda it is \$10.30 adult and \$5.20 concession. I am advised that these prices are about to increase, too. On top of this, many of these services are only operational on school days, as they are primarily used as a school bus but are open to the public.

I cannot understand why the state Labor government cannot subsidise this service more, like they do in other regional areas. Why not extend the Metroticket service from Gawler to the Barossa? People would be able to catch a connecting bus service to the Barossa from the train service in Gawler, which would be good. Perhaps one or more of the empty buses that currently do laps of Gawler—thanks to their member, the member for Light (Hon. Mr Piccolo)—could instead service the Barossa.

These bus routes were obviously not demand tested. They appear to be one of the most underutilised services I have seen—empty buses and empty bus stops. Why not put them to good use and extend the service to the Barossa, where, I know for a fact, people will use the service? At least let's trial it and let the numbers speak for themselves. I personally know that people of the Barossa support a public service, and so do I.

What I fail to understand is how an area such as the Adelaide Hills can have access to an impressive public service with Metro buses, yet in the Barossa we have no such luxury. When I compare the Adelaide Hills to the Barossa, there is not a lot of difference. We might be a little further from the CBD, geographically speaking, but there are many locations that are actually equidistant from the CBD that have Metroticket services; Strathalbyn, for instance, is not much closer than Tanunda.

Traditionally, public services are not in place to make money. Every time I raise this issue, I hear the argument of profitability and that there is no money to be made in providing a public transport service to, from and within the Barossa. What about the services offered in Gawler? Do

they make a profit? The city-centric government has lost sight of what is important to these people outside the metro boundary.

People in rural areas are doing it tough, and adequate provision for public transport is essential. The services need to be there for those who need them most and they need to be affordable. The lack of public transport is an issue that is always at the forefront of concerns for my constituents. I have been in this house for nearly 23 years and I am still singing the same tune I was then.

I implore this government to recognise and acknowledge the Barossa's lack of public transport and encourage them to start making the important move forward to begin taking the necessary steps to set things right. Really, this is quite discriminatory. When are all the people going to be treated the same? We have a rail line linking the Barossa's main towns and only one stone train a day. There is plenty of scope to run a railcar between the towns, even if we cannot have a train running to Gawler.

Just briefly, I received a letter yesterday from *The Advertiser*. Can I say, all my life I have been able to walk down to my gate and pick up *The Advertiser*. Here we have a notice saying that the service will not be continuing right across the state because of laws we have passed in this place. It is an absolute disgrace. You are taking away a service from people, particularly in Giles; these people will not have access to a paper. Some of them will have to drive 30 k to get a newspaper.

It is all right for me: I live 2 k from town but what about those people who live 10 k from town? They say that because of work safety practices now and under occ. health and safety, their contractors will no longer provide the service. That is an absolute disgrace. This is absolutely discriminatory. It is a service we have taken for granted, and I think it is totally ridiculous. You will hear a lot more about this, because I have only just got this letter.

ONESTEEL WHYALLA

The Hon. L.R. BREUER (Giles) (15:43): I am not sure what the member for Schubert is talking about there with *The Advertiser*. I keep hearing different stories from different members about what is happening in their areas, and I think it is probably something we as country members need to get together and have a look at. I don't know what sort of games are going on there, but there seems to be a proposal for a lack of service for us in country regions. I am on your side, member for Schubert. I am not having a go at you, but I am not sure what the story is there.

Mr Venning: No *Advertisers*.

The Hon. L.R. BREUER: My story is different. I don't know what's happening in Whyalla, but I'm checking it out. I was very pleased to see recent announcements by OneSteel that they are doing a \$3 million upgrade of the gas cleaning unit in the BOS plant in the Whyalla steelworks. The BOS is actually the steelmaking plant in the steelworks.

They have upgraded all three precipitators since 2008, removing dust particles. These dust particles frighten people; however, they are mainly iron oxide and lime. I believe they are a nuisance factor more than a health factor, but they are a problem. The work that they are doing currently follows on from the amazing effort by OneSteel in getting rid of the red dust in Whyalla. Project Magnet, in 2007, changed their primary feedstock from the mines to a slurry, which came in an underground pipe from the mining areas outside of Whyalla to the Whyalla steelworks. It has also extended the life of the Whyalla steelworks from 2016 to 2027.

Now, my town is no longer red, our pigeons are now grey, our seagulls are white, not pink, and there has been an amazing change in the town. You can actually see the plants growing, particularly in the beach area—the Hummock Hill area—where the ore was unloaded. You can really see the difference in the town.

It was a very honourable investment by OneSteel because, for many, many years, BHP, who were then the employer, actually denied there was a red dust problem. When we said, 'What are we going to do about the red dust?' they answered, 'What red dust?' OneSteel came in. They decided—after some canvassing, I must admit, by the community—to go ahead and clean up the environment, and now, six years later, we can really see the results. So I do congratulate them for what they have done.

However, that is not to say all our problems are fixed in the area, because I am now hearing about a particular problem with the fugitive dust from the Iron Duke mine, which is south of

Whyalla. I have actually seen this from the road. I have been down in that area and I know it was a particularly bad, windy day, but there were huge dust clouds, of which I have some photos.

My understanding is that it is actually affecting the properties in that area around the Iron Duke mine. I have certainly had complaints from Mr Bronte Plane, who is very vocal about this, and also the Turnbull family, who manage two or three large station properties in the area. I will be meeting with them in the very near future to talk to them about this. I have spoken to the EPA regarding this, with the understanding that I will bring them some more information when it is available. I believe DMITRE visited last week to look at the area.

The initial proposals came out in a very big 389-page document—the development proposal for the Iron Duke and Iron Duchess mines—which was done in May 2011. Those initial proposals were to control that dust, including minimising the road haulage, optimising dust suppression by using recycled water and also minimising handling and high winds.

I grew up with red dust in Whyalla. I know the problems and I know the amenity issues it creates, so I am certainly hoping we can resolve this. I hope that Arrium and OneSteel will look at the issue and we can get a satisfactory conclusion for all. People in industrial mining towns should not, in this century, have to put up with that sort of pollution and the sort of environmental hazards that we are seeing. My mother's mentality was that Whyalla was an industrial town and we should put up with it—that is not the case anymore.

I can certainly see the problems that Port Pirie have had with their lead problems. This goes back many years. I remember that, 30 years ago, a boss moved over from Port Pirie to Whyalla because he was concerned about the impact of the lead on his young children. It is still happening. Mount Isa, I understand, this week has reported similar problems. The mining boom has been essential for our region. It brings its problems; make sure we clean it up.

Time expired.

BALTIC DEPORTATIONS

Mr PISONI (Unley) (15:48): On Sunday, I was given the honour of delivering the keynote speech, at the Latvian church in my electorate in Wayville, commemorating the 61st anniversary of the deportation of Baltic citizens by the Soviet Union. Preparing for this has been a moving and humbling experience. I have to admit that, before entering the parliament, I was not aware of the scale and barbarism of the deportations that we commemorate this time every year, but, now that I have some insight, please forgive me if I tell it like it is.

Put simply, the deportations were a crime against humanity. They were a deliberate act of terror against civilians, perpetrated by an evil state that wanted to wipe the unique identity of the Baltic peoples off the face of the earth.

For decades, Lithuanian, Latvian and Estonian communities around the world have gathered to remember the deportations. I have been a regular attendee of this important event and have gained a strong sense of Baltic community and identity from the commemoration. It is precisely that sense of identity and community that the Soviets sought to destroy, but all they did was to make sure that, on one day of the year for eternity, Baltic peoples around the world would come together to remember the lives lost, the families torn apart and the atrocities inflicted on them and their nation.

For 12 years, the Soviets embarked upon a deliberate policy of ethnic and cultural cleansing. The goal was to make the beautiful and productive Baltic states just another pliant territory of the Soviet empire, stripped of any identity and any ability to resist. Hundreds of thousands of men and women—intellectuals, artists, academics, teachers, scientists, politicians, public servants and even Scout leaders—were taken away to almost certain death.

However, against the odds, some people survived. People like Ann Lehtmets: her story is like many others, but I think it is important that we tell these stories and that these stories continue to be retold and remembered. Ann Lehtmets, from Estonia, was deported to Siberia in 1941 after her husband was shot and her children were ripped from her arms. She faced a long and dangerous journey in a bleak and inhospitable land, with dehumanising forced labour, constant terror, cold and starvation, yet she survived 17 years in this hell. Her daughters, after years of prayer and searching, finally found her and brought her to Australia in 1959. I cannot imagine what Ann and the hundreds of thousands like her went through. Most did not survive to tell their story, but Ann's story echoes the stories of thousands of others.

Every exile and deportee who survived has risen far above those who oppressed them and tore apart their lives, their families and their communities. They have triumphed in a way that their oppressors would never understand, so it is fitting for South Australians to pause at this time of year and remember the deportations, and those who survived and those who perished. There is no doubt that the commemoration was a solemn occasion, but there was also a sense of celebration—a celebration of hope, and it is a hope that all peoples around the world can take heart from.

Over 12 years the Soviets tried to destroy the Baltic states and their peoples, their identity and their nations through terror. While the deportations came to an end in 1953, the Soviet Russian domination of the Baltic states continued until the eve of the collapse of the Soviet empire decades later. Despite the best efforts of the communists, the Baltic states are still there. They are independent, proud and part of the family of kindred nations, but each are also unique members of that family. The Soviet Union has been consigned to the ash heap of history, to borrow from a famous phrase, but Lithuania, Latvia and Estonia live free and strong.

Every year, this commemoration sends a message to every oppressed people around the world. For those today suffering at the hands of terror, this commemoration is a celebration of hope and of the certainty that they will ultimately triumph over evil. Tragically, individuals will perish and families will be torn apart, but nations, peoples, cultures and languages will live on past the inglorious reign of their oppressors. The people of Latvia, Lithuania and Estonia have proven that.

Mr Gardner: Good speech.

SOCCER

Mr ODENWALDER (Little Para) (15:52): There was an interjection there that that was a good speech, and it was. I congratulate the member for Unley on that quite moving grievance. As most of us know, tonight the Australian soccer team, the Socceroos, will be playing what will hopefully be their final qualifier for next year's World Cup. They are playing Iraq in Sydney and, unfortunately, I cannot be there and, as it turns out, I have it on good authority that I may not be able to watch it because we are sitting late, but I will try to find a way.

So it seems timely to talk a bit today about where it all starts. I have spoken quite a lot in this place about soccer, and particularly junior soccer in my area. Soccer is particularly strong in the northern suburbs, and I know in the western suburbs, too. I have been involved in a peripheral way with junior soccer in my community for the last 10 years and I have seen firsthand, of course, what it can mean for a young child. My own son, Jimmy, for the last eight years has been involved in junior soccer, first at Elizabeth Vale, then at Elizabeth Downs and Munno Para, with the Elizabeth and Districts Junior Soccer Association, and then moving on to federation clubs.

I have also seen the hours and hours of pure volunteer work that goes into making kids' soccer possible. It does not just happen. There are coaches who work two nights a week for a couple of hours every night. They come out extra early on Sundays and, in some cases, hang around all day. There are also the referees, the managers and all the canteen workers, and I have seen this week in and week out, particularly at the Para Hills Soccer Club where Jimmy now plays.

On Saturday night it was my extreme pleasure to take up an invitation from Ms Wendy Stewart and John Baumann from the Elizabeth and Districts Junior Soccer Association to attend their 50th year celebrations. They started in 1963, obviously, since this was the 50th year celebrations, and I was invited along as a guest of honour to talk a bit about the association and to listen to some of the people who have helped the association along the way.

I was particularly there to honour four people who have played huge roles in the association and give them awards. There was John Hadnuk, who is the father of someone I went to school with, so I enjoyed catching up with him. He has given 40 years of service to the Elizabeth and Districts Junior Soccer Association, mostly as general secretary and registrar, but also in various other roles. I also gave an award to Mr Frank Taylor, who has given 30 years of this time as a ground marshal, as the chairman, and as the league secretary in the association. He was league secretary from 1997 to 2013.

I also gave an award to Terry Baker, who is the most recent treasurer. He served in that role for 20 years, and before that he was chairman, and before that the vice-chairman. Lastly, I gave an award for the service of Mr John Allen, who has given 36 years of his life to the association. I should add that most of these people have also played roles in their own various clubs either as referees or as coaches, and all those sorts of things. John Allen was general secretary from 1993 to the present, 2013.

It was really good to be able to have that opportunity and to touch base with all the other clubs that went along. It covers a large area, not just my area. It covers most of the north-east; it goes right up into Gawler and out towards the west. I had a long chat with John Allen afterwards, mostly about the politics of kids' soccer, which most of us probably could not handle. It is a very political business and he revels in it; he loves it, as some of us do. Lastly, it was really good to catch up with Peter Watson, who I used to work with at Elizabeth Police Station. He is the secretary, I think, or the president, of the local referees association. He has done that for a number of years, so it was really good to sit at table 1 with him and all the other award winners.

SUPPLY BILL 2013

The Legislative Council agreed to the bill without any amendment.

WORK HEALTH AND SAFETY ACT

The Legislative Council agreed to the bill without any amendment.

APPROPRIATION BILL 2013

Adjourned debate on second reading (resumed on motion).

Mr PEDERICK (Hammond) (15:58): I seek to continue my remarks in regard to the budget reply speech. I note that something else that this government totally disregarded is the funding for regional development, where we see \$4 million being cut. This reflects the complete attitude of the government to the regions, having only one seat in regional South Australia. I would like to note that there have been some minor wins—and I stress, some minor wins—in the bush.

We have seen two ferry replacements announced out of the five that are needed up along the river, with \$6.1 million to be spent to replace the ageing wooden ferries with steel hulled ferries. We certainly welcome that announcement, but it does concern me that the government was chasing the local councils to fund these replacements. There is also \$2.6 million over four years to establish innovation clusters in the Riverland, Murraylands and the Limestone Coast regions. It will be interesting—

Mr Whetstone interjecting:

Mr PEDERICK: Yes. It will be interesting to see what this actually means in these regional areas. I note there is \$2.5 million over four years targeting Chinese markets with South Australian food and wine, and I also welcome \$1 million in extra fruit fly surveillance and controls. We cannot have enough considering the amount of money that has had to be spent on the outbreaks in South Australia over the last 12 to 18 months.

I am interested in the \$6 million to the environment department; I think this is going to the Environment Protection Authority and I hope it goes to some realistic arrangements around compliance. I say that because there have been instances where people want to replace their shacks if they are running to rack and ruin, and I had one incident up the River where someone wanted to replace their shack and they had basically been told they cannot because there is a risk that they might let their effluent into the river. It is just outrageous—the EPA say they might put an axe through the holding tanks because they are connected to a community wastewater management scheme and I do not think there will ever be one at this location due to a range of logistical problems.

The other issue is they might visit the shack more because they have a nice shack. It is a totally idiotic way to go—this total precautionary principle way that the EPA seem to manage these outcomes where there could be far better outcomes for people along the River if there was some realistic—and I say 'realistic' because I know what the EPA can be like with compliance, they can come down with a heavy hand—compliance arrangements around what people can do with their shacks and when they are replacing them with a better structure.

In the closing little bit of time I have left, I want to talk about the impact on the cost of living in this budget. There is a direct result of 11 years of Labor and Premier Weatherill and his government. We have seen property charges which have increased at twice the rate of the Consumer Price Index; we have seen state taxes that have increased at three times the rate of the CPI; we have seen electricity bills which have increased greater than five times the rate of the Consumer Price Index; we have seen gas bills that have increased at seven times the rate of the CPI; and water bills which have increased a staggering 11 times the rate of the Consumer Price Index.

This is a real problem, especially in regional South Australia, for people that are having trouble paying for the water, not just for their homes, but to water the stock that they own. Some people might have a herd of 500 cows and all the cattle associated with that, with calves and bulls etc., and they are facing massive water costs.

It is not uncommon to see people with water bills of \$100,000 or \$200,000. So this is going to really cause a problem as we move ahead in this state, because I really fear that the cost of water in this state will cause the destocking of large areas of this state because people just cannot afford to pay for this water. In fact, there are many people, either in my electorate or next to my electorate, that are putting in very large pipelines from Lake Albert (which is very saline) to supplement their water supplies.

Time expired.

Mr PISONI (Unley) (16:04): In joining the debate on the budget bill, I just want to reminisce on what has been, and perhaps what could have been over the last 11 years of Labor government here in South Australia. We all recall those days before, or when Labor was in opposition, when the then member for Ramsay said that he was going to be the education premier. We all remember that; the education premier was what Labor was going to suggest. I know I have more than five minutes, Mr Deputy Speaker. I know I am efficient, but 25 per cent is a tough call.

The DEPUTY SPEAKER: The time is wrong.

Mr PISONI: Thank you, Mr Deputy Speaker. Let us look at the record. There have been a lot of Labor education ministers over the last 11 years. There have been five Labor education ministers and, as a matter of fact, in that same period, there have also been nine CEOs or acting CEOs in the education department, and nine restructures, the latest restructure being in April this year. If you hear Labor ministers over the last 11 years, they will tell you that we are spending more money than ever before on education, yet the facts are that when Labor came to office about 24½ per cent of the state budget was spent on education and, guess what? To this very day about 24½ per cent of the budget is spent on education.

There have been significant differences and significant changes in that time. The most significant change is that when Labor came to office in 2002, only 30 per cent of families sent their children to the non-government sector. They were very happy with the way the education system was running and South Australia had a lower number of students in the non-government sector to other states on average. Looking at that statistic now, 37 per cent of parents or families choose to send their children to the non-government sector. That is a drift of about 10,000 students out of the government sector and a growth of about 13,000 into the non-government sector. Parents are sending a very strong signal to the Labor government about the way it is managing its schools.

Of course, they are not wrong in their concerns about the education system here in South Australia. What did we hear from Jay Weatherill when he was the education minister—the member for Cheltenham, now the Premier—when he was explaining the fact that the NAPLAN results had dipped in South Australia compared to the rest of the nation? He said that we were sitting around about the middle and, by the way, we have a lot of people from lower socioeconomic backgrounds here in South Australia so that is why we are not up there at the top. However, he did insist that we were in the middle of the pack.

Of course, his very close friend, the member for Hartley, when she became the education minister, used the same line: that we have a higher proportion of lower socioeconomic people here in South Australia but, anyway, we are in the middle of the pack. What has Garry Costello, the head of schools, been telling principals as he has been going around the state selling the latest restructure? He has been telling people, and this is a quote directly from his PowerPoint presentation:

South Australia consistently languishes near the bottom of the states and has been below the Australian average every year and at every year level to date.

That is a damning indictment of Labor's record on education. Again, if we look at some of the statistics, in the very same PowerPoint presentation that Mr Costello gave to principals in South Australia:

- Over 16 per cent of year 11 students failed to meet the numeracy requirement.
- Only 41 per cent of...[South Australian] students passed pattern and algebra testing compared with 51 per cent nationally.

- Only 37 per cent of year 3 students in South Australia passed the recall questions compared to 49 per cent Australia wide.

These are pretty damning statistics. The day before the budget was released, the education minister tabled in parliament the latest education department annual report. That annual report tells us that there has been a 16 per cent drop-off in the number of students getting a pass mark or equivalent for their ATAR—that is the year 12 score they need to get into university—in 2012 compared to the baseline set 10 years ago, in 2003. If we look at the sheer numbers, out of the 13,500 to 14,000 students who complete SACE Stage 2 every year, only about 3,000 students actually get a pass mark in chemistry, physics or maths at the level that gets them into university.

Of course, we heard more bad news about Holden today but the Premier will keep telling you, 'Don't worry. We are aiming for a smart economy.' Well, for a smart economy, kids have to be able to read and write, and we need students participating at a higher level in high school. I was at a function celebrating the success of the maths and science school, an innovation that was started by the previous Liberal government near Flinders University. I was very pleased to hear that Garry Costello, the head of school, had been doing some work about the differences between Shanghai, for example, and Australia.

What was interesting was that he reported to that function that it was not so much that those countries are doing much better than Australia in their academic outcomes or the fact that more kids are doing so much better, it is the fact that more kids are not being left behind. In other words, the gap between those students who are excelling in their education and those students who are in the middle of the bell curve is much less, and that is what gives them their much better academic results, particularly in maths and science.

Here in South Australia if you listen to what David Gonski reported in his review of school funding, he will tell you that in the 10 years that this Labor government has been running the education system and other Labor governments around the country have been running education systems—because remember state governments run education systems, not federal governments. In that 10-year period, when it was wall-to-wall Labor governments for a sustained period of time, the gap between those students from lower socioeconomic backgrounds and those students from higher, more privileged backgrounds widened.

We saw the gap widen. That was not because those students in the leafy green suburbs were getting better results, it was because the most vulnerable students were being left behind and getting worse results. That was a key finding by David Gonski. I like the way that the Premier and previous education ministers spun the line about the funding models in the Gonski report. This government is so desperate not to be left off the list of states that are reforming education systems that it has the audacity to boast that, according to David Gonski, we are the most autonomous education system in the world.

That is not what he said in his report. This was a small section of the report that was only talking about the funding model. Before 2010 South Australia had a very complicated funding model for schools. It was based on a complex formula where the loss of a single student could see a school lose an entire teacher. That was replaced and we supported the government in doing this. The Australian Education Union was opposed to it, and I congratulate the government for moving to the model that we have now which funds every child. It is a unit count and if you have a certain amount of students you get a certain amount of dollars per student.

David Gonski was not talking about the management of our schools. He was talking about the non-bureaucratic nature of our funding model. It was clean, it was crisp, it was easy to understand. That is where he was putting us in the Victorian box with the Victorian government, not in school management. That has been twisted and turned around by the master of spin, the Premier, in trying to mask the fact that this state is way behind in school reform when you look at what other states have been doing such as Western Australia with its independent public schools.

Western Australia started with 30 schools in 2009 moving into local school management. They now have half of their students going to government schools that are run and managed locally. What has the outcome of that been? The outcome has been that, for the first time in 40 years, the Western Australian education system is the only education system that has seen a net drift back to the public system from the private system. Parents have regained control. Decisions are being made to suit their cohort.

Principals can make decisions about their teaching staff that they cannot make under the system we have here in South Australia and parents have said, 'That is a great idea. That is

exactly what I want for my child. I want to participate in my child's education. I want a principal who I can hold accountable and a principal who is prepared to make the decisions that derive better outcomes for my children's education.'

Let's talk about the so-called Gonski announcement. Let's not get too carried away about Gonski. David Gonski recommended \$6.5 billion per annum as an injection into the school funding system. What do we get? We get \$14.5 million over six years. It is a long way; it is about 22 or 23 per cent of what David Gonski recommended, and to this day, the independent Catholic sector does not know what its funding is going to be at the beginning of the next school year. To this day it still does not know.

It is interesting that the federal government was able to release a list of funding that Victorian schools would be getting in six years' time, but it was not able to release a list of the funding that schools would be getting next year, and nor has it released a list for here in South Australia. What was funny about the federal government's list in Victoria was that two schools that had closed a couple of years ago were supposedly getting more funding under the so-called Gonski model.

We need to keep a very close eye on this, because remember the Premier sold out way below the reserve on this auction that the Prime Minister was conducting around the country. She would go to one state and up the offer, then go to another state and up the offer. The Western Australian premier was able to squeeze three times the original figure out of the Prime Minister, from \$300 million to \$920 million. Of course, even the last surviving Labor premier, after the premier we have here in South Australia, said she is not signing; she is not signing the Gonski review because she is concerned about federal intervention in the state school system.

That is exactly what the non-government sector is concerned about; that is exactly what the Liberal states that have not signed are concerned about: the fact that control will be taken further away from the local models that have been successful, particularly in Western Australia and Victoria. That is the concern that Liberal states have, and even the state of Tasmania, a Labor state, is raising those same concerns. It is interesting how confident Lara Giddings is of a federal Labor win. She is concerned that Christopher Pyne will be running the education system; that is her excuse for not signing the Gonski review. She was quoted as she said that on Friday—an extraordinary admission by a Labor premier.

The government tells us that there is additional funding in Gonski, but if you look at the detail that is there, it is only \$80 million next year, of which the South Australian government contribution is around about \$28 million. We can go to what Mr DeGennaro said—we all know who he is; he runs the finance at the education department. Just six weeks ago, on 6 May, he told parliament's Budget and Finance Committee that there are savings requirements that add up to \$252 million from 2012-13 right through to the forward estimates in 2015-16—a significant amount of money.

The interesting thing, or the scary thing, about that for parents is the fact that, of that \$252 million in savings that Mr DeGennaro told the Budget and Finance Committee about, \$152.5 million is unspecified. In other words, the department does not know where it is coming from—it is unspecified savings. In the 2014-15 year, the first year that we will see funding through the Gonski model, there is nearly \$28 million in specified savings, Mr DeGennaro tells the committee, and another \$49 million in unspecified savings. So we are looking at \$77 million in cuts in the first year that we see this so-called new \$80 million in funding coming through from the so-called Gonski money.

We remember Brighter Futures, the ninth restructure of the education department that was announced on 8 April this year. It was an eight-page document with lots of motherhood and apple pie but very little detail—until you get to page 8, where the truth is finally revealed. It says that the purpose of the Brighter Futures campaign is to deliver the efficiencies required to meet DECD state budget savings. So it is a restructure all about cutting the education budget, packaged up with motherhood statements about what they are going to do about education.

But let's not look at what this government claims it is going to do about education, because it has made many, many claims about education—in opposition, when they were going to deliver the education premier, to every NAPLAN result where they continually claimed we were sitting in the middle but it was exposed by Garry Costello, the head of schools, that we are actually bouncing on the bottom. So you cannot believe what this government tells you—and, particularly, in the lead-up to an election.

I remember the Liberal Party promised a second city high school, a second campus of Adelaide High School. Just four days before the election, the Premier cobbled up a little plan and said he consulted with the schools. I happen to know—and I am happy to say this because he is not associated with the school any more—that the principal at the time did not know this was going to happen until one hour before the announcement, yet the Premier told the media to their face that this was a result of consultation with the school.

You cannot believe this government in the lead-up to an election, because what they will deliver is a different option altogether. They promised in that press release that there would be no encroachment by Adelaide High School on the Parklands, yet what do we see? We see encroachment on the Parklands. They promised that people living in Prospect and Walkerville would be included in the zone: now the Minister for Education is telling us that is no longer the case and it is under review.

They also said that 250 extra students would start in 2013. The budget tells us the building will not even be finished until 2015. It is the same thing with Glenunga high school in my electorate. They promised 100 extra students would start in 2013 but the budget papers tell us it will not be finished until term three in 2014. Brighton high school was another election promise. In 2014 there would be an extra 250 students but that is now 2015. Marryatville High School in 2014 would have an extra 200 students and that is now 2015. That was another promise made during an election campaign which was not delivered after the election.

I warn South Australians that the promises made by this Premier and his ministers in the lead-up to the election are not worth a pinch of salt. They are not worth the paper they are written on, they are not worth the media release, they are not worth the press, and they are not worth the radio interview, because they will not happen. If they do happen, they will be severely modified.

Look what happened to the promise to enable employers to take on apprentices and trainees and exempt them from payroll tax. First, they tried to delay it and they were caught out and had to deliver it and, after one budget cycle, it is gone—taken away. It was put there simply to copy the Liberal Party's announcement, because we had been out there consulting with industry, training organisations and small businesses, who said, 'You have got to bring down the cost of employing apprentices. We want to employ apprentices but you have to bring down the cost. Why don't you give us a payroll tax holiday,' and that is what we promised and costed at the last election. In a mad panic, the Labor Party matched the promise and then did not deliver. Just remember that when you go to the polls.

VISITORS

The DEPUTY SPEAKER: I acknowledge the University of the Third Age, who are with us now, and are guests of the member for Hartley. The member for Chaffey.

APPROPRIATION BILL 2013

Second reading debate resumed.

Mr WHETSTONE (Chaffey) (16:23): I, too, rise to make a contribution and just highlight what inefficiencies and deficiencies this year's state budget has, in particular, to assist the rural and regional areas of South Australia. As everyone here knows, I am the representative of the regional area of Chaffey, which is one of the food bowls of South Australia. It is one of the agricultural capitals of South Australia with over 4,000 small businesses, and many of them are bearing the brunt.

We are regularly seeing businesses closing. It is about confidence; it is about these businesses being unable to go on. Just in the last month alone, I have seen over a dozen businesses close their doors in the townships of Renmark, Berri and Loxton. What it shows is that South Australian consumer confidence is at an all-time low, particularly in the regions.

It is not just Chaffey. I regularly speak to MPs for other regional areas and they say that the confidence level is struggling and when confidence is struggling, people are not prepared to invest. People are holding any savings that they have. Any plans that they have to increase their presence in their business or to invest in their business are just not going to come forward.

I am not going to touch on all the numbers. I think the leader and the shadow treasurer have done an outstanding job in giving an overview of what this government has done with the budget and the way it has mistreated South Australia. Really, once you push the gloss off the budget and look into the detail, it shows that this is a government that cannot be trusted. It is a

government that continually puts smoke and mirrors in the way of the reality of what this budget will really mean to South Australia. What it means to regional South Australia is something that I will touch on.

It is quite clear that this budget has been a pre-election budget. There is no doubt about that. The election is coming up in March and there are sweeteners for marginal seats here in South Australia, for city seats here in South Australia. I did look at the budget on face value and I looked at some of the government's spending in some of the regions, but it is giving with one hand and taking with the other hand.

If we look at biosecurity, the government is giving a little sweetener in one area and taking a big chunk of the budget out of biosecurity. If we look at PIRSA, SARDI and Rural Solutions, they have been absolutely cut to the bone and, to be quite honest, I thought there was nothing left to cut out of those departments, but the government has found cuts that are going to hurt every institution in the regions of South Australia. Really, the state budget has failed to help stimulate growth in South Australia.

Small businesses with payrolls between \$600,000 and \$1 million will receive a temporary tax concession, while businesses with a payroll between \$1 million and \$1.2 million will receive a declining rate of concession. Why is this happening for one year? Why aren't we trying to stimulate the economy to drive some confidence into some of these small businesses.

This really says, 'We're going to help you this year, and then next year, you're on your own. There's no help at all.' Looking at how these tax concessions are going to help, it just makes the complexity of doing business here in South Australia that much tougher again. It makes it much more complicated. Again, these people are going to have to go to accountants and work out the change of this tax regime for one year only.

It is a bit like when the government gave water to permanent plantings, particularly in Chaffey. It allowed these people to be in business for one more year and then when it came to the next year, when they really needed it, when the drought really bit, they said, 'No, you're on your own. We're not going to give you help this year. We will give you exit strategies; we will pay you to leave the land, but we're not going to give you any help so that you can continue to be part of the food bowl of South Australia.'

You can continue to put food on people's tables—three meals a day, seven days a week—and that is just something that people seem to expect. In these food bowls in the regions of South Australia—whether it is horticulture, agriculture, viticulture, all the permaculture—these industries are there for the long haul and the government continues to treat them as a short-term prospect when in actual fact they are there for the long haul. They are not there just for one generation or two generations.

Many of the big agricultural businesses have been there for generations and they are there for a reason and that is because that is what they do as a business. They continue to help the state's economy; they continue to help with the state's bottom line. They continue to be one of the primary economic drivers in this state as they have been for over 100 years, and yet, when times are tough, they get pushed to one side.

We look at mining and we look at defence, which have come and gone over time. The hole is dug in mining and, when the hole is empty, they have received all their assistance, they have received all the tax concessions and they have received all the huge amount of diesel rebate, which is much, much more than the agriculture sector gets. It is one of these feelgood decisions: 'While we are in government for four years, we will make a decision that will last four years.' Again, that is why I continue to go on about what is going on with their priorities.

What is the future for food production? Will our future generations of farming families be able to come in and have a succession plan? Are we going to put these businesses on the line and watch them disappear? Are we going to watch foreign investment take over? Are we going to watch that foreign investment use their workforce to come in, harvest crops and send them back over to their country under a low-tax regime with no input to our economy and no multiplier effect, if you like?

With South Australian businesses, again, we compare land tax, WorkCover and premium rates with other states. I have constituents with businesses, constituents who are part of the labour force, who come to me and say, 'Living in South Australia is a disadvantage. We are going across the border. We are going to work there because we don't pay the WorkCover premiums that we do

here in South Australia. We don't pay the payroll tax. We don't have the land tax that is an absolute killer to progressive small business, so we are moving.'

I get constituents coming to me on more than a regular basis to say, 'This is simply too hard. We are on low wages and our cost of living is astronomical. We just cannot afford to do what we are doing.' They have friends and relatives in other states who are saying that they are paying less payroll tax and their WorkCover levy is having less of an impact, for example, in Victoria than it does here in South Australia.

Everything is passed on. The council rates are higher. Why are the council rates higher? The RDA is now receiving no state government funding. The state government has now passed on a cost to local government, so that local government is now passing the cost on to the ratepayers. The RDAs are an essential part of our economic development, they are an essential part of progress in the regions and yet the state government have wiped their hands and given the responsibility to local government, with some help from the federal government, but that is a cost that they will pass on to their ratepayers and, again, that is a cost that will increase the cost of living.

Every one of these responsibilities that the state government pushes on to the next institution, or passes on to the next pain taker, is passing on the cost of living here in South Australia. We look at some of the costs and, obviously, the cost of living. After 11 years, we are in our third term of Labor and it is becoming as absolutely clear as the nose on your face that this government is continuing to pass on charges with the benefit of sweeteners within a budget cycle.

In the past year, property charges have increased at twice the rate of CPI, state taxes have increased at three times the rate of CPI, electricity bills have increased at greater than five times the rate of CPI, of course, gas bills have increased at seven times the rate of CPI and the big one is water. Water bills have increased at 11 times the rate of CPI.

That is why constituents are saying, 'It's too hard to do business here in South Australia. It's too hard to pay the bills. We are going. We are moving. We are going interstate. We are going to a place where the grass is greener.' Guess what? They get there and the grass is greener. It is easier to live, it is easier to do business and there is less red tape.

We have some big almond businesses up in Chaffey. They are a world-leading institution in the processing of nuts and are essentially a co-op, but they are now reducing their presence, reducing their footprint here in South Australia and moving to New South Wales. Why are they moving to New South Wales? The cost of doing business is much cheaper in New South Wales. Why are they growing their almonds in Victoria? Because the Victorian government want to help them. They want to put power on their properties. They want to help them with water security. They want to help them with R&D. They want to help them get on with doing business.

Again, that is another burden in South Australia. Every time business goes to the government looking for power upgrades or water security, the government cannot give it to them. They are not prepared to give it to them. They are prepared to spend many millions of dollars on their priorities with superways, overpasses and the Adelaide Oval. It is a fact of life that we are going to invest money into those infrastructure projects, but the government's priorities are wrong. It is not infrastructure that is driving our economy. It is infrastructure that is making their marginal seat campaign look good. It is propping up votes for a government that is desperate—absolutely desperate—to remain in power, and they will do that at any cost.

That is why this side of the chamber continually goes on about what this government's inefficiencies are with infrastructure spend, productivity spend, looking after food production and looking after the regions. I will go on about exactly what horticulture and agriculture mean to this state. The electorate of Chaffey has about 16,500 square kilometres and a population of about 40,000. As I have said, there are about 4,000 small business in that electorate and 3,000 of them are food producers, yet we are seeing them disappear one after the other. Why? Because the South Australian government cannot give them business security or the confidence that doing business here in South Australia is a good option or a good business decision. It is a good business decision for them, as they see it, to move interstate, because the cost of doing business is cheaper.

There have been budget cuts to core funding for research groups like Primary Industries and Regions SA and SARDI. They are having their budgets continually cut. I do not see where there is an increase in the budget for primary industries. Since I have been in this place for three

years, we continually see that the budget is cut year after year. If we look at SARDI, the budget is cut. If we look at Rural Solutions, the budget is cut.

We have a primary industry research centre in Loxton up in the Riverland. That was one of the cutting edge and leading R&D centres of South Australia. We took that R&D to the world. We proudly hold our head high. As the member for Colton would know, South Australia leads in water efficiency. Why do we lead in water efficiency? It was because of those gains that were made at Loxton. It was the gains which were exported around the world and which led us to be world leaders in efficiency with water use, moisture monitoring, plant genomics and planting types. That is why it is important that we have these R&D centres within the region that they are designed to help.

We cannot have R&D centres in Adelaide looking after what is going on in the Riverland, the Mid North or the South-East because it is not climate compliant. The grassroots knowledge of what is going on at Waite is not reflective of what is going on in the Riverland. Those budget cuts at the core groups of research and development—and independent extension is what this state should be looking at, focused on giving us a competitive advantage. Whether we are dealing with our competitors interstate or overseas, or whether we are dealing with an export market—the export markets are what drives the regions.

We can comply with putting the best standard of food—clean, green, world-leading food—onto our plates here in South Australia, but we do have to compete on a world stage, because that is what drives our economy. That is what drives the R&D arm to make us better. But all of a sudden, without the R&D, without the independent extension, without the support, with businesses being harder and harder to compete with—as I have said, across the border or overseas—we are going to lose that expertise.

We are going to lose that competitive advantage that we have had for many, many years. In some cases, such as with water efficiency, we have gained that competitive advantage over 40 or nearly 50 years now. We did that with extension, we did that with the R&D centres that the state government provided. It provided that for one reason, and that was to make South Australia a better place, a more productive place.

The Minister for Agriculture says she is hopeful but cannot promise that this budget will not have a detrimental effect on farmers in South Australia. What sort of leadership is that? 'I'm giving you a budget, but I hope it won't hurt the viability of your farm. I hope it won't affect the viability of your performance in dealing with a world market.' What sort of leadership is that? That really does beggar belief.

The \$17.9 million decrease in PIRSA's net cost of services across three initiatives, from an estimated spend of \$97.6 million in 2012-13 to just \$79.7 million in 2013-14, is another highlight of just how we are going to be left in the dust when it comes to competing with our interstate and overseas counterparts. It really does beggar belief that a government's priorities are so wrong.

Let us look at biosecurity in this state. As the member for Hammond suggested, it was great to see \$1 million extra go into the budget over four years for fruit fly; so that is \$250,000 a year going into the budget for our biosecurity. It is about protecting South Australia: it is not about protecting the Riverland. If we look further into the budget regarding biosecurity, while they are giving \$250,000 a year to a state that is world-renowned as being fruit fly free, if we look across the page, they are going to take another \$700,000 out of the fruit fly strategy for the sterile insect technique.

They are going to take that out. While they have their lights on when giving \$250,000, they are taking \$700,000 with the other hand. That is why this government cannot be trusted, particularly with the regions, particularly with food production, agriculture and horticulture. It is about having that edge on putting food on the table and doing it efficiently and effectively so that we are leaders.

Let us look at water. Obviously there is disappointment in the mothballed desal plant; that will happen, inevitably. Water prices have nearly trebled since the desal plant was announced. If we look at the one-off water rebate, which has now been scrapped, sadly, very few constituents in Chaffey were eligible for that because they were living on lifestyle properties. Living in Chaffey is a lifestyle now? That was just another smoke and mirrors exercise.

If we listen to the Premier, he has been the champion of the river, the basin plan, and yet he still has not signed up for the intergovernmental agreement. We still cannot get the funding out

of the federal government because our Premier is too busy schmoozing up to the Prime Minister with other important issues now, because he has got his headline act with the basin plan. I think it is outrageous that every water user, every South Australian, has been hung out to dry when it comes to the Murray-Darling Basin agreement. I think it is just outrageous.

Rural roads have received very little funding over this budget period. Will we have to reduce the road speeds to deal with the backlog of road maintenance? It is very, very sad. In terms of the hospital upgrades, we heard the Minister for Health today say that he is going to do a review of PATS, which helps the regional people who need help with medical procedures when they come to Adelaide. I note that there is only one government seat that is eligible for that PAT Scheme. That is probably why the minister is not going to put another cent back into the PAT Scheme. I will continue my remarks at the next opportunity.

Time expired.

The Hon. R.B. SUCH (Fisher) (16:44): I rise to speak on the Appropriation Bill. I will make a few general points. We often hear people say that governments should be like households and operate in terms of expenditure and revenue. Well, that analogy is false because governments are not households. Anyone who has done any economics would know that that is a fallacy. That does not mean to say that governments should not be prudent and sensible in the administration of finances—they should—especially the federal government more so than the state government because they are the economy, in essence, and they control things like fiscal policy.

The other point that needs to be made is we hear a lot of people talking about deficits and surpluses. They are not an end in themselves; they are an indication of, I guess, a state of play and we should not be seeking to worship a surplus or, conversely, a deficit. What is important is how the money is expended. You can have a deficit as a result of spending wisely, investing, creating wealth and so on, or you can have the alternative—the opposite.

What we are seeing in South Australia now (and I think this is where the government has to be very careful) is that I think we are getting to a point where, with the increasing net debt and deficits, we are getting into a position where there is less flexibility, there is less choice, and there are fewer options for government in terms of making decisions which incur expenditure. So, whilst I am not one who is obsessed about deficits, nevertheless, you have to be mindful that if you have a deficit, a net debt that gets too far out of range, then it does constrain what you can do down the track. I think the warning signs are there that the government needs to be very prudent, and I am sure that is why this budget is a cautious one.

Some of the reasons for why we have a net debt that is increased and will increase even more in the next few years is because of some expenditure which I have always queried. One was, I think, the unnecessary over-the-top expenditure on the Adelaide Oval. I know the opposition was committed to a city stadium as well, but I do not believe that it was necessary to spend nearly \$600 million of taxpayers' money on upgrading Adelaide Oval. I think if you look at the way our two teams are playing at the moment—Port did a bit better on the weekend—I doubt that the stadium will fill, even with the two teams facing each other.

The other major expenditure, of course, is the new hospital. Hospitals are great and we need them, but I think it was a very expensive option to go down that path of building a giant hospital when we could have had a modern updated central hospital to provide not just accident and emergency, but maybe one or two specialties and put the money into upgrading existing suburban and regional hospitals. I think it was an error. I argued against the new hospital, not because I am against improving and upgrading hospitals, but I think it was over the top in terms of the expenditure that has been incurred and will be incurred, and that is helping to increase debt that everyone will now face in South Australia.

We hear that the government should be cutting the Public Service. In my experience, we have a lot of very fine public servants who work very hard. I am sure that within the Public Service there are some people who may not be absolutely required in what they are doing. I think you should have ongoing review of the Public Service to ensure that it is delivering what the community wants all the time. The big hit suggestion of a massive cut at some point in time is unwise and impractical.

What tends to happen is you get an across-the-board cut and you lose some of the most important people. What you need is a group to have a look at the specific tasks that individual officers perform to see whether they are necessary and whether they could be reconfigured or

done with a lesser number of people. When you have across-the-board cuts, I think you end up with silly outcomes and you often end up losing some of the best people.

The Public Service has grown, but some areas, for example, the environment and primary industries departments, have been cut back quite savagely, and I think you have to be careful that, in cutting back on the Public Service, that you do not cut your nose off to spite your face, as the old saying goes.

Reference has been made by various speakers to things like payroll tax and land tax. It does not come within the responsibility of state government alone to look at it, but the commonwealth in conjunction with the states needs to review the GST. I think there is a case for maybe slightly increasing it, with some offsets for people on low incomes, because it is a regressive tax and it punishes people who are less well off. That is the nature of the beast when you have a regressive tax like the GST—you are going to hurt people on pensions and fixed incomes, so you need some offsets.

But I think there is a case for looking at the GST to see whether in that process we can get rid of the insidious payroll tax and land tax and other, I think, prehistoric taxes. I am quite open and upfront about that and I do not think we should shy away from a review, and when I say 'we', I mean the federal and state governments. We should look at the whole issue of taxation, especially and including the GST.

Generally speaking, the budget did not seek to impose a lot of new imposts on taxpayers—the citizens of South Australia—except for one or two imposts. I think the combined penalty for driving an unregistered and uninsured car of \$2,500 is excessive for people who genuinely have overlooked the renewal, and I think there should be a grace period so that the people who are not criminals, and who are not deliberately seeking to avoid registration and insurance, are not hit with this whopping fine.

If you want to hit the people who are deliberately avoiding car registration and insurance, then hit them hard because you take away the incentive obviously for not registering your car and not insuring it. I think with a \$2,500 penalty, you are going to catch people who, as I say, are not deliberately trying to get out of their obligations.

With cost of living pressures, state governments can do some things. We know that they no longer control electricity, but water they do, and I think the state government could be more vigorous in trying to get reforms into the electricity market. I think we all being ripped off at the moment as a result of unnecessarily high electricity prices, and that is an area where the government needs to be more rigorous and more vigorous in pursuing genuine reforms to the so-called electricity market.

In terms of water, it is a two-edged sword. A higher price promotes conservation but people need water as part of daily living, and I think the cost of water now has become so high that it is really impacting on families. The other point is, it will deter people from maintaining the attractiveness of their property, their gardens and so on and, in the long run, I think could result in a deterioration in the overall aesthetics of our state.

We saw recently the signing of Gonski to supplement what is in the budget. I think Gonski is a good initiative and it particularly focuses a lot on assisting students with special needs and disabilities. I think one area in which it is deficient is that it does not really address the needs, per se, of those children who are talented and gifted. I think in many ways they are discriminated against in our schools and there should be more effort put into catering for those students who have particular talents and gifts which should be encouraged and nurtured. I do not see enough of that focus currently in our education system.

There needs to be a lot more emphasis on providing early intervention. I keep saying how I am concerned that we have a growth in prison population in South Australia. I do not think it is something that the government (or any government) should be proud of, that we have to build more prisons and have more prison beds. I do not think any government should be seeing that as a positive. I see it as a negative because it means that governments have not acted to try to stem the flow of people who are ending up in prison. We know from the statistics that half of them in prison cannot read or write, a lot of them have psychological problems, personality disorders—they are very difficult to treat, we know—psychiatric problems, drug addiction, alcohol addiction and so the list goes on.

More money needs to be put into resourcing early intervention. Any teacher worth their salt can tell you, even at the junior primary level, the students who are showing signs of behaviour which need to be addressed and, if they are not addressed, you could almost predict that those children will end up running foul of the law and some of them sadly will end up in prison. We need early intervention in relation to mental health issues, psychological issues, learning problems. They need to be tackled early and vigorously. While there has been some provision, it is certainly not enough.

There needs to be more early intervention and observation of young children in terms of what happens to them in their early years in the home. I am not suggesting a secret police force but the initiative to check young babies in their home, which I think is a great initiative. It was one I advocated a long time ago, and the then minister for health brought in that system which I think is a great system, but I think it needs to be expanded so that children aged two and three and so on could be checked to make sure they are not being subjected to inappropriate parenting and behaviour in the household and, if necessary, early intervention and action can be taken.

There is not a lot in the budget in terms of good news for the environment. It seems to have gone off the radar somewhat. We have seen significant cuts to the department of environment which I think is regrettable. I would have to say in fairness that traditionally Labor governments have been better at protecting and conserving the natural environment than Liberal governments. I wish that was not the case but I think that is factual. I see what has happened in Queensland, Victoria and New South Wales.

They are just basically prepared to do anything in terms of misusing and abusing the natural environment. I would hate to see that occur here. The current government in terms of its budget provision has not done a lot or as much as it should in terms of protecting the environment, creating national parks and looking after them. You can create them but you also have to maintain them.

I would hope that the Liberal opposition would not go down the path of Victoria, Queensland and New South Wales where they have introduced some very negative environmental policies and practices, including allowing people to shoot in national parks at the same time that you have the public in there. Queensland is allowing widespread clearing of vegetation, which I thought we had moved away from, and Victoria has been into some unacceptable environmental practices, too, encouraging grazing in national parks and so on.

In terms of this budget, the government only gets a very modest mark because I think it has lost its focus in terms of the environment. There is a lot that could be done and should be done in the urban environment. Much of Adelaide and the country regions looks tired and lacks greenery. Look at our arterial roads; they look terrible. Where there are a few trees put in, they are usually from Manchuria. I have nothing against the Chinese, they are a wonderful race of people, but I do not see why we need to have Manchurian pear trees along our arterial roads and in our parks. They are sterile and do not support local bird life or anything else.

There are a lot of other issues I could raise. In terms of road safety I think we need better signage. The current minister seems willing to adopt some sensible improvements in signage, warning motorists of 50 kilometres ahead, 60 kilometres ahead, all that sort of thing. I think neon signs as on Goodwood Road should be introduced in places like Main Road, Blackwood and in all shopping areas—Norwood Parade, King William Road—so motorists can clearly see that they are entering a high density pedestrian area and need to observe that reduced speed limit.

The government seems reluctant to commit to a robot for the Adelaide hospital. The new model will be available shortly and it can do wonderful things for people with throat cancers as well as the traditional prostate cancer surgery. I do not think it is asking too much to spend a few million dollars on the latest medical technology when it seems to be able to find \$50 million to build a bridge across the Torrens.

There are plenty of other issues. I am not sure why we need more police per head than other states. Perhaps the people here have some lurking criminal tendencies that I am not aware of. We need a well-resourced police force, but I think some of the expenditure has gone into creating more positions than are really necessary. I think it is important that the police force be subject to an efficiency and effectiveness review. We are very proud of our police force here, but that does not mean to say that it should not be as efficient and as effective as possible and not simply have additional funding poured into it.

Speeding fines is one of my hobby horses; they are too high in South Australia. It is just blatant revenue raising; the level of the fine is far too high. We need an independent camera commissioner to have oversight. We need an independent body to look at contested expiations. That would free up the courts. Whilst I am talking about courts, I think it is time the court system was overhauled along the lines suggested by Thinker in Residence Justice Hora, who suggested that we do not need the very complicated system that we currently have in South Australia and we could have a simpler system with a much simpler appeal mechanism in place.

A lot of these systems are very expensive to run. We hear people talk about red tape. Often they do not give examples of red tape, but a lot of the institutions we have need to be continually reformed. That certainly applies to parliament as well as anywhere else. Some of these structures have been operating the same way for a long time and are overdue for a fundamental reform.

I do not think this budget will set the world on fire. I think South Australia faces a tremendous challenge in the next few years. We have to be very careful that we do not end up becoming a welfare state. We need vision, we need new projects, and we need new activities that can build on the intelligence and creativity of our people, otherwise we are going to stagger along in a way which is not in the best interests of the current population or future generations. The budget is a modest start, very cautious, but I think we need a vision that really lifts this state and directs us into greater achievement. I do not think this budget will help do that.

Mr VAN HOLST PELLEKAAN (Stuart) (17:04): I rise today to make my contribution in reply to the Treasurer's budget. The first thing I would like to say is that in my relatively brief time here—a bit over three years—this is the fourth budget I have seen. It is the third treasurer I have seen, but basically that is all that has changed. This is exactly the same style of budget that we have seen in previous years. We are seeing a budget where, while incomes grow, spending grows even more, so deficits grow. We are seeing a budget where surpluses are forecast but never actually eventuate.

The Leader of the Opposition and the shadow treasurer have both gone into great detail explaining the numbers. I will include just a few of the very pertinent ones in my contribution, without going into much depth. Debt peaks at \$13.75 billion, according to this budget, in June 2016, which will be the highest in the state's history. The general government debt ceiling, which it has set itself, will be breached in 2016, with debt being up at 54.2 per cent.

Total state liabilities in 2016 will be \$28.8 billion, and over \$30 billion after adding WorkCover and public sector workers compensation. The deficit will peak, according to the budget, at \$1.314 billion in 2012-13. This is compared with last year's estimate, that was meant to occur at the same time, of only \$867 million. The figures that are predicted are just not eventuating. In 2016-17, our state's interest bill—interest alone, not principal repayment—will be \$952 million, which equates to \$2.6 million per day.

That is \$2.6 million per day, 365 days of the year, just to repay the interest and none of the principal. It is interesting to point out that the cost of our annual interest bill at that point in time of \$952 million will actually be greater than the entire police budget in that year, which is quite extraordinary. We have four major government departments with budgets larger than our interest bill, then we have our interest bill, and that is larger than every other single government department's funding projection.

As I said, the government continues to forecast deficits in the upcoming couple of years, and forecast surpluses in the couple of years subsequent to that, but the surpluses never arrive. I have to say that, unfortunately, I pointed to exactly that last year in my budget reply speech and the year before in my budget reply speech. The government keeps spending. Income does actually go up, but spending keeps going up even more than that.

The government cannot say that it is a revenue problem, because revenue has continued to increase. We are actually going to have deficits in six out of seven years. The problem is that you do not just get back to surplus then and say, 'That's all okay now; we are back in surplus.' You actually have to pay for the overspending in the previous years for a long time before you can start to work on your debt as well.

This is the third treasurer in four years with exactly the same style of budget—nothing new whatsoever. We need a change. Clearly, the government is not going to change; clearly, the government is not going to improve. We need a change and we need a change of government. Our Leader of the Opposition laid out his core priorities for a change to get the budget back in surplus

to repair the economy, which includes repaying debt, and to get South Australia back on track as the best state in the nation to live.

We all know it is a wonderful place. Even the people who are leaving the state know it is a wonderful place, but they have to go to start a business somewhere else because this is the highest cost state in the nation to run a business. They have to go to get a job somewhere else because the job opportunities are not here. They have to go for all sorts of reasons, and we have to get them back.

Small business is a key feature for us, a very important key feature. We need to create an environment where small businesses can be successful, and very successful. We cannot hold their hand and make sure that every single one of them will survive. That is business: it is tough and it is hard, but we need an environment where they are prepared to have a go and if they do the right things they will be successful. This is not because we want every business owner to be wealthy and successful in their own right: it is because we want them to be able to create jobs. If they are successful, they create secure jobs.

To have a secure job, you need to have a successful employer. That is why we push for small business. It is not because we want the businesses to be successful and that is the end of it; it is so that they can create the employment and the jobs that all South Australians need. As the Leader of the Opposition has said, the government continues to look for a tax and spending led recovery. It will not work. They have had years and years to improve, but it is just not happening.

This budget has done absolutely nothing for rural South Australia. It has done absolutely nothing for the people I represent in the electorate of Stuart and my neighbouring electorates around the state. There is one significant spending contribution—\$21 million to contribute to the upgrade of a road on the APY lands. That is a positive move, no doubt about that, but really that is about it in terms of issues that have been asked for by the public, by the agencies, by the businesses and by the people of regional South Australia.

The government has said that it would put \$6.1 million towards replacing two out of the five ferries that need replacement on the River Murray. They have not actually identified yet which two it will be. As far as I can see, those are the only two positive initiatives in this budget for regional South Australia, and that is in stark contrast to the \$11.5 million cut to PIRSA, \$7 million of which is directly targeting agriculture and fisheries. This is the area that we need to be investing in. This is the area that actually allows the people of regional South Australia to contribute to our state and allows them to actually create wealth for our state.

It is very important to remember that the vast majority of our state's wealth is created in regional South Australia and yet that is exactly where the government is targeting. This is added to the fact that the ForestrySA forward sale from the previous budget comes in this year. This is adding to the fact that last year's budget put an end to RDA funding. This is in addition to the fact that rural communities are crying out for support.

In health we have a situation where services are being cut every day. Just a couple of days ago I was told that at the Jamestown hospital last year a report recommended that their sterilisation unit be replaced. In a very positive way, getting on the front foot, the report said that it is starting to get old, starting to wear out, starting to get to the end of its life and needs to be replaced. It recommended replacement, and guess what? It is going to be decommissioned and somehow Port Pirie will now do all the sterilisation for Jamestown hospital.

That would be okay if it sterilised instruments that were then just put on the shelf at Jamestown. Perhaps that is what the government wants. It is not okay if Jamestown hospital is to continue to do all the surgery it currently does, because you need to have backup for surgical instruments. You cannot say, 'I've got one on the shelf.' If you actually do not have a spare in case something goes wrong or in case somebody drops one of those instruments, which can happen, you cannot actually embark upon the surgery. Rural South Australia is crying out for support.

A very important issue in education is speech pathology. That would be the single most sought-after service that is not available, or not available nearly enough, in regional South Australia. It is very closely linked to dyslexia. It is very closely linked to the fact that many children—throughout our state, I am sure, but particularly in regional South Australia—have dyslexia that is not picked up and not recognised for too long, not recognised until after learning difficulties and speech difficulties become apparent.

Shared services is an absolute disgrace and a shambles. I have said in this place many times that I get the fact that we need to be efficient, I get the fact that we need to take advantage of economies of scale, but that does not mean everything has to go to the city. That could mean that Port Lincoln could do all the purchasing for the entire state. It could mean that Mount Gambier could provide all the human resources services for the entire state. It could mean that Port Augusta could do all the IT for the entire state. Exactly the same technology that allows the service to be condensed in one office to provide the service for the entire state means that it does not need to be in Adelaide. It could be in a regional centre.

Let me turn to police—a very important portfolio and a very important service to this state. As the shadow minister for police, I guess the first thing for me to point out is the trumpeting of the \$35 million increase in funding to the police that the government has included in this budget. The difficulty is it follows a \$150 million decrease in funding that was announced just a few months ago. So, the government cut \$150 million, then gave back \$35 million because the police commissioner courageously said, 'If you take this money away from us, we can't provide the recruitment targets that you have promised to the people of South Australia.'

So, the government took away \$150 million and gave back \$35 million, but guess what? The recruitment targets have still been delayed. Going to the 2010 election, the government promised the people of South Australia and SAPOL that, by the 2013-14 year, it would recruit 300 new police officers. That is now going to be by the 2017-18 financial year, and guess what? The target is for the last 134 of those 300 to be recruited some time in 2015-16 or 2016-17 or 2017-18. I do not believe that any of us here have any great comfort that that will actually happen on time.

This follows a whole range of broken promises that the government has made in police, which it has not rectified in this budget. When the government went to the 2010 election, in addition to saying that it would recruit 300 police officers by 2014, it also said that it would put a StarChase system in 10 patrol cars. SAPOL has now identified that that system is not viable within the Australian policing environment.

The government said that it would put in 20 new mobile automatic numberplate recognition systems. So far, it has done eight out of 20 and only very recently, so I do not think that anybody believes that they will actually be done in this term of government. The government promised 150 portable fingerprint scanners. Guess what? No devices are operational. There is some concern around the legality of fingerprint scanners and a trial has been announced but is yet to commence.

Another promise from the government about police at the last election was that police officers would get 100 handheld computers. Where are we today? Nine pilot devices have been purchased. Another promise was reducing red tape to keep our officers on the beat. We know that is not happening. Commissioner Burns told the Budget and Finance Committee that his people are swamped with red tape and it is overtaking them night and day. The last promise, dealing with line-ups, was to amend legislation that will allow photograph or video in lieu of line-ups. Guess what? It was defeated by the parliament and did not happen.

Not one election commitment that the government took to the last election has been fulfilled, and this budget has not gone in any way towards addressing any of that. I would have hoped that, in this budget, the government would have said, 'Look, we're running behind, we're not getting there, we're not doing the things we said we would do. Here is some additional money for the police.' None of those things are actually going to happen.

Let me now turn to Corrections. The government has announced \$67 million of additional funding over the next four years. Let us delve into that. Of that \$67 million of total funding for corrections, \$2.9 million over four years is for 30 beds in a bail-housing arrangement. Just before the budget, the government led us all to believe that it was going to build a facility, but \$2.9 million will not build a facility. I think what the government will be doing is paying a non-government organisation to actually run a service for it.

It does not actually work out to a lot of people. When you analyse it down, 30 beds over four years for \$2.9 million is approximately \$66 per person per day. I agree that that is excellent value—absolutely excellent value—but I think that any clear-thinking person would agree that that is going to be a hell of an ask, an extraordinarily large ask, for the police to actually deliver on.

There is \$6.3 million for the operational cost of the 20 beds nearly completed at the Adelaide Women's Prison. Why was the operational money for those beds that are nearly

completed at the Adelaide Women's Prison not included in previous budgets? It would have been in the forward estimate period of previous budgets.

There is \$6.1 million per year to meet the operational costs of the 108 new beds at Mount Gambier. We are nearly there with those 108 new beds but, again, why was there no money in previous budgets to cover the operational costs of those new 108 beds that are being built? The operational money is now being trumpeted as extra money when in fact it should have been in the budget all along. You cannot build additional beds at a prison but not provide money for their operation.

Moving on, there is \$25.4 million to build 60 more beds at Mount Gambier, in addition to the 108 beds that are nearly completed and have just had operational funding announced. But guess what? No operational funding has been announced in the budget for those 60 extra beds. Why would you not put that in? You say today that you are going to build those beds and that is a positive thing, but you exclude operational funding in the budget for those beds. Yet you know, if you intend to fulfil the commitment and actually build those beds, that that operational money will be required.

There is \$6.2 million over four years for operational costs for the new 20 beds at Port Lincoln. Guess what? Those 20 beds are already up and running. Those 20 beds are already operational. They are already there and they are already working, with prisoners using them. How is it that, in this budget, \$6.2 million is trumpeted as a brand new announcement that is going to help the people of South Australia? This is money that should have already been in the budget.

This is all information that leads us back to the same conclusion: nothing is changing. The government predicts deficit, deficit, then surplus and surplus, but never gets there. One of the reasons, just as I am outlining here with Corrections, is that it is not a sensible budget with regard to including all the things you need. It does not include both the capital expenditure and the operational expenditure that is necessary over the entire forward estimates. It does not fool anybody to say, 'Here is \$X million to build a brand new prison, and that is a positive announcement,' and then later on to say, 'Here is \$X million new dollars for the extra beds at the prison.' It should be all organised all at once.

It is hardly surprising that the government predicts surpluses but cannot meet them when it leaves out expenditure that it knows is necessary. It leaves out expenditure that cannot be avoided. You cannot build prison beds but then not service them. You cannot not have the lights on, not have security or prison officers and not have electronic systems. You cannot not feed them, not have linen and all that sort of stuff. It does not make sense, except in trying to explain why we keep predicting surpluses that never arrive.

As I said, we have had deficits in six out of seven years in South Australia. You just cannot continue that way. The government is continuing that way. The government is continuing a gigantic surplus coming in the next 12 months, hoping to spend its way towards another election victory, and then promising that there will be surpluses, financial management and responsibility after that. It is a pretty thinly-veiled way of operating. It might suit the government's election campaign, but it does not suit genuine, sensible, fair and rational accounting, and it does not suit South Australia.

It does not suit South Australia when everybody now knows, both federally and at a state level, that we do not trust the government when it says, 'We are going to have a surplus in a few years' time.' We all know it is not coming. We all know that under this government those surpluses do not arrive. We need a new government. The Leader of the Opposition has put fairly and squarely what his priorities will be.

They are the things that will help South Australia. They are the things that will create jobs. They are the things that will get us back on track. For example, the issue with the Public Service is not about the numbers. The issue with the Public Service is about the efficiency of the Public Service. It does not matter whether you have one hundred or one million public servants, you need them to be operating efficiently, providing a service to the people of South Australia.

The Hon. J.D. HILL (Kaurua) (17:25): I just want to talk a little bit about the budget. Firstly, I congratulate the Premier and Treasurer on the superb job that he did compiling a budget under very difficult circumstances. I think he got the balance right between the prudent kind of behaviour that you would expect from a Treasurer and the ambitions of a government that has got a lot of things that it wants to do for our state.

I think we have a choice in our state between those who want to look to the past and who want to contract and run away from the future and those of us who want to embrace that future to make sure it is a glorious one for our children and their children. The budget that the Premier brought down I think is one that embraces the future, which recognises the need at this time in the history of our state for a government to be active, for a government to be investing, for a government to be building things.

Today I particularly wanted to talk about arts funding, perhaps a minor line in the budget, but one which is very important to me and, I think, important to the future of our state for a range of reasons. I also want to respond briefly to some of the comments made by those on the other side, and I will do that after I have spoken about the arts.

I was very pleased to see in the budget some additional funding in these tight circumstances for our arts sector, in particular to see some infrastructure funding for the Festival Centre and for Her Majesty's Theatre, and the additional funding to make the budgets of the Library, the Museum and the Art Gallery more viable. They were suffering under some structural problems which have now been addressed, which will ensure the viability of those great cultural institutions.

In relation to the Festival Theatre, it is obvious that at the age of 40 its infrastructure needs to be refurbished. The fact that it does need to be refurbished gives us an opportunity to think through the role of the Festival Centre in the life of our city and the dynamic that it can create for that part of the Riverbank. I know a lot of interesting work is going on about how we should do that. Clearly, the budget is not there yet to do it, but there is a commitment in the budget to start that process, albeit in a small way.

From my point of view, as somebody who had been involved as a minister for the arts for almost 11 years, I can say that I think that the thing that distinguishes our state from all of the other states across Australia in terms of the arts is the way we conduct and run festivals. We are truly a festival state, even if the numberplates no longer identify us as such. We do festivals better than anyone.

I refer, if I can, to a document prepared by Barry Burgan on behalf of Festivals Adelaide. This was a document that was produced in 2012 and analysed the festivals that we run in our state and the economic impact they have on our economy. It covers the Adelaide Festival, the Adelaide Fringe, WOMADelaide, the Adelaide Film Festival, the International Guitar Festival, the Cabaret Festival, Come Out, Feast, OzAsia and SALA. All of those festivals contribute to our state's economy.

I think many in the community, who think not very much about these kinds of issues, think that the investment in the arts is some sort of a frippery, and at times of financial tightness we should run away from investment in those fields. I was surprised to hear Mr Nigel McBride, as the head of Business SA, who I know has a strong interest in the arts, make a comment that rather than putting more money into the arts we should be putting more into some sort of business subsidy.

I think that is a failure to understand that the role that the arts play in society is more than just putting on shows that people can enjoy. It is more than just giving artists opportunities to express themselves. It is about creating a vibrant community which helps make the society more cohesive and more interesting, makes it more attractive for entrepreneurs to come here.

All of the research by Richard Florida and others would say this is the basis of their research, that a community which is interested in the arts is also one that attracts entrepreneurs, but it is also viable for the state's economy. We now have in black-and-white evidence that supports the thesis that many people in the arts have been making for a long time that the arts are important for a state's economy.

The paper I refer to, which was produced in 2012, analyses the financial impacts of all of those festivals. Without going through all of the detail, it states that across 2012 there were something like 63,800 visitors to South Australia as a result of all of those festivals. They spent an average of \$118 per visitor night, and altogether there were over 300,000 visitor nights.

If you build it all up, look at all of the factors that were brought to bear there, they reckon the impact on the economy of this new expenditure was estimated at \$62.9 million. That is \$62.9 million that is spent in our state, that creates jobs and investment in our state. That was in 2012 and other figures which have come to light in the last few days are also very encouraging.

Last week, I think, the Fringe identified that the economic impact of the Fringe this year, 2013—a four-week long Fringe—was \$64.6 million, which is a substantial impact on the economy of our state. The Fringe is just going from strength to strength. Every year, during the time that I was responsible (and now that I am no longer responsible), the Fringe has just grown from strength to strength. It is now an annual event and it occurs over the period of four weeks. The number of visitors, the number of shows, the amount of money being generated, is well worth the investment that the state puts in.

Today in the media there was an analysis done through Flinders University that looked at the Festival itself and tried to calculate not only the economic impact, but put a dollar figure on the cultural value of the Festival. It estimated that all of those factors together meant that the Adelaide Festival itself was worth \$85 million. Those are figures that cannot be sneezed at, and I would say to those who think that we should retreat from arts' expenditure during difficult economic times that they should look at not only the arts' impact of that money, but also the economic impact of that money. The fact is that that expenditure makes Adelaide a place which is more attractive to people; it makes Adelaide a place where our children want to live, where their friends want to visit, and where entrepreneurs want to come and develop new products and new ideas.

I did not hear the leader's speech this morning but I am reliably informed that I did not miss very much. There was not a lot of content in it. I am not at all surprised because, over the 11 years that we have been in government, we have yet to hear a leader of the opposition present an alternative strategy in their address in reply to the budget. They have run the same argument fairly well consistently over the years that I have been in this place.

Their argument seems to be this: on the one hand they say that the budget expends too much money, that there is too much investment being made, there is too much expenditure and there are too many public servants, and the like. Then they go through line by line and say, 'Why have we cut funding for this line; why aren't we spending more on hospitals in the country; and why aren't we putting more money into a whole range of pet projects?'

You cannot consistently run an argument that there is too much money put in the budget, that the government spends too much money, and yet then go through a whole list of things which you want more money spent on. You have to be able to come in here and say, 'If you want money spent on the priorities that you think are important, what are the priorities which you would like to cut?'

In particular, I refer to the comments made today by the member for Waite, who took that a step further by talking about infrastructure. He made the fairly bald statement that infrastructure was not being built in our state. That is what he said, or words to that effect. I wrote that down. 'Infrastructure not being built' is what he said. Then he went on and lampooned the government for various infrastructure projects which he said were not appropriate. He, of course, went back to his old favourite, the RAH, which I think he said was a poor priority, it was money that was not appropriately spent.

He talked about the \$100 million investment the commonwealth made over the weekend into the biomedical and health precinct around the new RAH site and he said that was money that could have been spent on something else. That investment was not very worthwhile, according to him. He then, once again, criticised the tram extension; that was not something that was very good. He thought rail electrification for passengers was not a very good idea, and he thought the South Road superway was not a very good idea.

The one-time leader, would-be leader again, I guess, of the Liberal Party comes in here and says, 'We're not spending any money on infrastructure; infrastructure is not being built.' He then identifies a whole range of projects where we are investing in the future of our state. All are projects which I think we should be proud of; all are projects which will assist the development of this state and make it a competitive place, yet he says they are the wrong priorities. What is the opposition's alternative? Well, they will have a committee. Essentially it is a committee—a productivity committee—and they are also going to have an infrastructure committee, and I think they are also going to have an audit commission, which is another committee.

The Hon. P.F. Conlon: They have promised us some meetings, have they?

The Hon. J.D. HILL: They have promised us some meetings—three sets of committees which will meet. The audit commission will tell them what to do with their budget, so they are outsourcing their thinking about what their priorities are, and what the size of the budget would be to an audit commission. They will not tell us how many public servants they will cut. They will say it

will be moderate: 'We will go through and we will need to look at the books and we will work it out over time.'

We know what that is code for. That is code for: they will cut as much as they can possibly cut. Of course, the former leader of the opposition identified 25,000 to 30,000 public servants, and we know that that is really at the heart of their thinking. We know that that is exactly what the opposition would do if they were given the opportunity to do it. So they are going to have a commission that looks at the size of the budget, then they are going to have a look at a productivity commission, which is going to look at how to make the state more productive—no ideas of their own.

They cannot tell us, they cannot tell the public of South Australia, what they will do, what their priorities would be and what their focus would be on. They will have a committee to do it and, of course, an infrastructure committee. They are saying that the infrastructure we are building, which seems to be supported by most of the sensible people in our community, is not approved by them. They would get another committee of people—and who knows who would be on that committee (and who knows which mates of the Liberal Party would be appointed and what their interests would be?), who will then tell the government of the state if they happen to be the government of the state, what they should build and what they should invest in.

That is not the way I think a decent government does business. What a decent political party does when it comes to an election is to say to the people of the state, 'Here are our priorities; this is what we stand by. You vote for us if you like it; don't vote for us if you don't like it.' We do not hide behind committees and say, 'We'll have a look at all of these issues and after the election we will then tell you what the priorities ought to be.'

I have to say I found it amusing that the member for Waite in his criticism of the Royal Adelaide Hospital sought to link my name with it as if it were something that I would be embarrassed by after I leave this place. Well, I can assure the member for Waite that my pride in this hospital will not diminish once I have left this place. I am absolutely certain that in five, 10, 20 years' time, because the Liberals have distanced themselves from it so much, it will always be considered to be a Labor project, and the public of this state will love this hospital in the same way they love the existing RAH and will be proud of it, and will know who has tried to stop it.

When they use that hospital, when they get the best service in their single rooms with the appropriate standards of the day being applied to them, they will know the difference between what a Labor government stands for, what a Labor government will fight for, what a Labor government will provide, and what the alternative would be, because the alternative on that site would have been a football stadium, and that is their priority for that site.

It would have been a football stadium if the member for Waite had had his way, and their priority for patients would have been a refurbished clapped-out hospital down the road which is no longer capable of providing services, or will not be capable of providing at least modern services to the public of South Australia. I commend the government on this budget. I think it was a very balanced, well thought-out, sophisticated piece of financial planning—

The Hon. P.F. Conlon: It's all improved since we left.

The Hon. J.D. HILL: Yes. A very good piece of financial planning. It modestly expands expenditure in areas which I think are needed for our state. It commits us as a government, as a state, to investing in projects which will be of long-term benefit to the people of our state and in the short term create jobs, economic activity and wealth, and I would have thought that that is something that all South Australians would want.

Mr GOLDSWORTHY (Kavel) (17:39): I want to make some comments in relation to the budget that the house is currently debating. I have been elected to this place since 2002, so that is coming up to my 12th year as a state member of parliament, and this is the 12th budget brought down by a Labor government that I have had the misfortune to deal with in this place. I cannot remember whether any of these 12 budgets has been achieved. I cannot recall one ever coming in that reflected what it actually had forecast over those 12 years, particularly when we have seen six deficits delivered out of the past seven budgets. I will come to some facts and figures in relation to the past seven budgets during the course of my contribution.

Talking about facts and figures, I think it is very important that we present facts and figures when we speak to the budget because we get all the glossy rhetoric, all the lines run from the government members and the Treasurer, but it is very important to get down to the tin tacks of

reality and what this budget actually presents. It presents a record deficit of \$1.314 billion—a record in the state's history of the operating deficit. We also have a record debt approaching \$14 billion, so that is what this budget represents—a record debt, a record deficit. As I said, this government has delivered six budget deficits in seven years after promising the budget would be in surplus in each one of these years. As I said before, in the course of my contribution I will focus on those facts and figures.

As has been articulated on this side of the house, in the house and out in the public domain, Labor has put the handbrake on our economy. The state economy has gone backwards for two consecutive quarters. The domestic economy has gone backwards for three consecutive quarters. South Australia's consumer confidence is the worst in 16 years. South Australia's business conditions are the worst in the nation, with insolvencies at an all-time high. We heard the leader speak earlier today, giving some accurate information in relation to the number of businesses going to the wall on a daily basis here in South Australia. The budget position is so bad that it has resorted to raiding the funds of the Motor Accident Commission to pay for some of its promises.

In relation to the financial situation, the interest bill that Labor owes over this debt will reach \$952 million a year and our interest payments will be larger than the police budget. That is a staggering statistic. If you think about interest being a government department, it is the fifth largest department in the state in relation to the budgetary commitments. That equates to \$2.6 million each day. About 12 months ago, the opposition estimated that the interest payment on the debt and deficit was about \$2.2 million a day but that has blown out to \$2.6 million which is almost an additional half a million dollars a day. I heard the Treasurer on radio on the Friday morning after the budget was brought down on the Thursday and he was emphatic in saying that the deficit does not increase our debt.

The Hon. I.F. Evans: Who said that?

Mr GOLDSWORTHY: The Treasurer. The deficit, in layman's terms, is like an operating overdraft. Having been a banker in a previous career, I can tell you that in banking terms an overdraft is regarded as a debt. For the Treasurer to say that the deficit is not part of the state debt, or is not a different debt, I believe is incorrect. He is saying, 'Oh no, it is all one debt, it is all one debt.' I believe that is what he was saying and, having some experience in these areas, that it is another debt. It is equivalent to a business or a personal overdraft liability.

After 11 years of Labor, South Australians are struggling. Premier Weatherill and Labor simply cannot be trusted to manage the budget. Labor cannot be trusted, because we have seen a string of broken promises. They have broken promises and commitments that they have made over the years. In making commentary further in relation to the budget, this 2013-14 budget position has weakened by \$1.4 billion. It was initially promised as a \$480 million surplus and this has now turned into a \$911 million deficit. This underlines how fast a budget position can deteriorate under this government. It is clear that not much confidence can be placed in Labor's forecast of a \$375 million surplus in 2015-16.

As I said, this government cannot be trusted to deliver on its commitments. As I said before, I want to make some commentary in relation to the forecast budget deficits and surpluses. Back in the 2008-09 year, the government forecast a surplus of \$75 million. What was the actual result? It was a deficit of \$233 million. In the 2009-10 year—that is a bit funny; that was coincidentally an election year—it forecast a surplus of \$208 million. What did we see? We saw a surplus something less at \$187 million.

The following year they thought it might bump up by roughly \$90 million, to \$278 million, but alas, they did not quite make it. The budget for the 2010-11 year came in at a deficit of \$53 million. The same thing, the government being the eternal optimists, thought the surplus in the 2011-12 would bump up to \$424 million, but again, what did we see? We saw the deficit continually spiralling downwards to \$258 million. In the 2012-13 year, they forecast a budget surplus of \$304 million, but that is where we see things run right off the rails and we have a deficit of \$1.314 billion—a record deficit in the state's history; worse than the State Bank crisis, that Labor was again responsible for.

In the 2013-14 year, this current budget year, they had forecast a \$480 million surplus. What do we see? We see a \$911 million deficit. Again, in previous years they forecast in the 2014-15 year an \$840 million surplus; again plunging still into deficit of \$431 million. Further out in

the forward estimates, they are forecasting a surplus in the 2015-16 year of \$375 million and in the 2016-17 year of \$661 million.

That again shows that you cannot trust the government on its figures. When they first announced back a number of years ago what their forecasts were in the 2015-16 and the 2016-17 year, they first announced that it was going to be a \$591 million surplus in the 2015-16 year and a \$763 million surplus in the 2016-17 year but they have reduced those amounts, as I said, to \$375 million and \$661 million.

How wrong can they get? How wrong can they be? We have seen these figures vary wildly, significantly and vastly different from what the government has projected and forecast, and it comes down to the fact that you cannot trust this government to deliver anywhere near what they are projecting in their budgets, and particularly into the out years.

I would also like to talk about the AAA credit rating. Back in September 2011, the then treasurer, the member for Playford, was quoted in *Hansard* as saying: 'We are committed to making sure we retain the AAA credit rating.' Also, the previous treasurer (Hon. Kevin Foley) said that the loss of the AAA credit rating would send our state spiralling down into an abyss of debt. I do not say this lightly about the previous treasurer, but Kevin was right. He was not right very often, he was often wrong; but he was right in this instance.

There is some history I want to provide to the house in relation to the AAA credit rating. Labor lost it. Labor lost the AAA credit rating as a consequence of their abysmal management concerning the State Bank. They plunged the state into an economic crisis. What did we see? The Liberal Party, through the two policy initiatives of the long-term lease of our energy utilities and the introduction of the GST by the federal government (led by the Hon. John Howard) saw the state retrieve the AAA credit rating.

It was the Liberal policy that recovered the AAA credit rating, and now we see this current Labor government losing the AAA credit rating. Back in the early 1990s, it was as a consequence of Labor's poor management that we saw the AAA credit rating lost and it was through Liberal government initiatives and clear policy directions that we saw the AAA credit rating recovered; and then we see, again as a consequence of this Labor government's policy direction, the AAA credit rating has been lost.

Let us look at state taxes. We have always said that the government has not had a revenue problem. Even with the supposed downturn in the GST revenues (and the leader has enunciated this), the GST revenue is continuing to climb. The graph is on the incline. The state has never really had a revenue problem—particularly in the first seven years of this government when, I stand to be corrected, I think there was \$500 million, on average each year, of surplus GST revenue coming into the state over and above what the government had budgeted.

What we have, really, is an expenditure problem. For whatever reason—I cannot understand it—the government just cannot get into their head that they have a spending problem. The Auditor-General, in his report I think over three consecutive years, had the alarm bells going. Warning! Warning! Warning! There was a TV show, I think—

Mr Gardner: *Lost in Space.*

Mr GOLDSWORTHY: *Lost in Space.* We won't go there; I won't make comment about that.

Mr Gardner: Lost in government.

Mr GOLDSWORTHY: That's a good point by the member for Morialta—lost in government. The Auditor-General himself had the warning lights flashing that the government's spending was basically out of control. In relation to that and, as I said, in relation to state taxation, unfortunately we now have the reputation of being the highest taxed state in the nation, and what does that do? That puts pressure on every one of those 140,000-plus small businesses in the state. That puts pressure on every household in the state on the cost of living. It puts pressure on every family in South Australia in relation to increasing the cost of living pressures.

I could go through a whole range of taxation revenue that we have seen from the 2001-02 years to the current 2013-14 year where the total taxation has seen a percentage change of 92 per cent from about \$2.193 billion to \$4.206 billion in the budget. Taxation has been going through the roof here in South Australia and, as I said, that impacts on pretty much every South Australian business and every family.

As I said previously, the forecast debt of \$13.7 billion is well and truly above the state debt that we saw back in the State Bank crisis. I have said this before and I will say it again because it is the reality of the situation. I believe it to be the fact of the matter that pretty much every Labor government since the seventies, since the Whitlam years, has been a tax, borrow and spend government. It has been a feature of pretty much every federal and state Labor government around the country.

Labor governments are addicted to spending. At the moment they are trying to borrow their way out of trouble. It has not worked federally and it cannot work on the state scene. It is old, out-of-date economic management. That economic model and economic management style is from back in the 1950s and sixties. You cannot necessarily tax, borrow and spend your way out of economic difficulty, and the leader this morning articulated that. There are other elements to the state economy that need stimulation to be able to pull us out of the mire that we are currently in.

All in all, it is a very disappointing budget. The priorities are wrong. The government is clearly taking the state in the wrong direction, and I believe the people of South Australia are certainly looking, requesting and seeking a new direction for this state. Only a Liberal government elected on 15 March next year can deliver that to the people of South Australia, and get this economy and this state back on track for the wellbeing of all South Australians, not just for some South Australians. We have heard members on this side of the house talk about regional South Australia. Unfortunately, that has been neglected.

[Sitting suspended from 17:59 to 19:30]

Mrs REDMOND (Heysen) (19:30): I would like to say it is a pleasure to rise once again to speak on this budget—but I really cannot. There is such a sense of *deja vu* about it. Other people have mentioned how many budgets they have been here for, and I can't wait to hear the member for Schubert tell us how many here he has been for. It must be just about a quarter of—

Mr Venning: Twenty-three.

Mrs REDMOND: Twenty-three budgets. I have been here for a mere 12. The thing about it is there is this sense of *deja vu*, except that it gets worse. Some of the people in this chamber may be old enough to remember a comedian by the name of Bill Cosby. Bill Cosby had this saying: 'Never challenge worse.' Never say things cannot get worse, because they always can, and this government is the living proof. This government proves time after time that, indeed, things can get worse as long as you leave them under the Labor management of this state. It is just appalling.

Other people have spoken already about the level of our deficit and the level of our debt. In fact, I was interested to hear the member for Fisher talking about the fact that you cannot really liken a household budget and running a household to running the state. I respectfully disagree with the member for Fisher, but I also want to make the point that, in fact, a lot of the time I think the reference to a household is merely to explain to people what the debt is and what the deficit is.

The debt is like your mortgage. That is like the big debt that you have on your house, called a mortgage. The deficit is the amount that should be a surplus. Every year, theoretically, you would like to earn more than you actually spend and that would be your surplus. Indeed, you could use some of that surplus to pay down the debt, but not this government. This government actually works in a very funny way where they decide that, every year, they will spend more than they have got. The most frustrating thing about the level of debt, our biggest ever, and the level of deficit, our biggest ever, is that it is so unnecessary.

For the first seven years that this government was in place they were getting rivers of gold from the GST and from a property boom, the likes of which this state had never seen. It was just fabulous. On average, every year, they were getting \$500 million over and above what they had budgeted for—every year, year upon year. Having made their budget, they had presented it to the house, we had all got up and given our speeches and, over and above what they had expected, they got \$500 million a year, on average, for seven years. Not only did they spend all of that, with nothing much to show for it, but indeed they have given us a massive debt in addition.

That debt exists even though they have sold the forests of the South-East—an income producing asset that produces in excess of \$40 million a year of income—and even though they have sold the Lotteries Commission, which is another income producing asset producing over \$100 million a year, I think, in the last year of income. In spite of all of that, and in spite of warnings,

year upon year, from the Auditor-General saying, 'Your problem is not how much money is coming in: your problem is that you are addicted to spending,' year upon year this government continued to spend.

The result is that we have this massive deficit this year of \$1,314 million and a massive debt of something like 10 times that amount—\$14 billion. The reality is that that debt is going to cost the people of this state \$952 million a year just to pay the interest—not to pay the debt down, just to pay the interest on the debt that this government has run up for us, and therein lies the difficulty because that is \$2.6 million every day, day upon day, year upon year. This government will continue to go backwards while we continue to be under a regime which not only does that to us but keeps making it worse and worse.

When you look at this deficit for this year—\$1,314 million for this year—this government, of course, three years ago, was promising that this year would be a surplus year. This year was going to be a return to surplus—\$304 million. Then, every six months when we got the Mid-Year Budget Review or the new budget, the progress got worse and worse. Now, instead of having a \$304 million surplus, we have a \$1,314 million deficit.

We cannot keep going in a state like that, which is costing us \$2.6 million a day just to pay the interest on the debt that is left after we have sold all the assets that we had. The problem is that this state will not get better, as the member for Stuart said in his contribution before the break, until we have a change of government. These guys clearly do not understand what they are doing to this state—clearly, because they keep doing the same, only making it worse and worse. That is the problem we have.

I think the reason people refer to the household debt scenario is so that people out in the community can understand what we are talking about, and to bring it down to the level that they are actually affected. Most people think, 'Oh well, that's just government money.' They do not understand the impact that this mismanagement of the economy is having on them on a day-to-day basis. As has already been pointed out, our electricity bills are up 150 per cent in a period when the CPI increase over the same period was only something like 38 per cent. We have the highest water bills in the capital cities around the nation, with a 249 per cent increase in the period in which we have had only a 38 per cent increase in inflation. It is not just those things; it is licences and registrations.

Then we have business taxes but, before I get onto business taxes, let's talk about this new car park tax. The government has this idea that we are going to have a new car park tax and somehow that is going to improve things. To me, it flies in the face of reason that this government on the one hand wants to talk about creating a vibrant city and yet on the other hand is doing everything conceivably possible to stop people coming in to the city. I do not know if they have noticed, but suburban shopping centres actually have lots and lots of people who never come in to the city.

At the moment we have some 23,000 people living in the City of Adelaide. Back in 1915, we had about 45,000 people living here. Admittedly, they had a much smaller area per person, on average. We do have amongst the highest square metreage per person in the world in terms of the living space that we now like to have. They did not have high rise either and yet there were more than double the number of people living in the city 100 years ago. If we want to create a vibrant city, we have to get people to come in. Not everyone is going to live in the CBD.

Even on its best case scenario, this government could not possibly believe that in the next 20 to 25 years we are actually going to double the population back to what it was in 1915. So what do we do? We have to rely on people coming in to the city. Why would people come in to the city when this government's whole philosophy is, 'Let's make this place as congested and difficult as possible'? Cities like London and other places around the world have introduced a congestion tax to try to keep the congestion from becoming worse and worse and clogging the city.

Instead of our government saying, 'You know what, we've got something we can trumpet here. We actually have a really liveable city. We have broad boulevards, because we are the planned city. Apart from Canberra, we are the only planned city in the nation'—and who wants to go to Canberra after all?—we could actually have attracted people here on the basis that this is an easily accessible city. It is a place that you can easily come to, find your way around, get a car park at a very reasonable rate and enjoy a day.

What happens at the moment is that people from Victoria, or even from New South Wales, come up the coast on the wonderful Great Ocean Road and the Victorians have basically

signposted for everyone to do a U-turn and head back into other parts of Victoria instead of us saying, 'Hey, come on, keep coming. You can come to South Australia. You can come into the wonderful City of Mount Gambier, our biggest provincial city, and see the wonderful Blue Lake and all the other attractions of that area. You can come up to the home of Mary MacKillop at Penola.' In fact, they have those wonderful wood carvings on the road as you come up from Mount Gambier.

They are fantastic if you have not stopped to see them. 'You can come up through the Coonawarra and that wonderful wine region. You can go into Robe, to the best lobster fishing port in the country. You can come up the internationally recognised Coorong all the way into Adelaide, and you can come into Adelaide where we have these broad boulevards and great heritage precincts. We have the best city in Australia. Come over and visit us.'

I am sure we could have done something like that; but, no, this government saw that another country and, indeed, other cities around the place, have a congestion tax. These guys have not actually called it a congestion tax at this stage, but they have decided to introduce a \$750 per place car park tax for this city—no justification. In fact, I have spoken to the owners of car park accommodation, who own multilevel car parks in the city, and they have said, 'We will just have to close. We will not be able to operate with the impost of such a car park tax on us.'

I do not know whether they talked to any of the traders, but the reality is you are not going to get everyone out of cars, you are not going to get everyone to travel on a bus when they are going to buy a flat screen TV, a piece of furniture, or whatever it might be. They are not all going to get on a pushbike; they are not all going to get onto a bus or tram to do those sorts of things. Unless we make the city a place that people can access as easily as possible, I think we are going to go backwards in terms of this supposed vibrant city idea.

I mentioned earlier that I would get back to the issue of business taxes. This government just does not understand that, in order for the state to do well, private enterprise has to do well. The government seems to think that you can do well simply having government spending money. So, the leader in his speech earlier today spoke about a tax-led recovery. In fact, I would say that it is a tax-led and spending-led recovery that this government is trying to achieve, and they are spending money like drunken sailors.

The fact is private enterprise has to succeed in order for people to have jobs, in order for people to feel secure about the future, in order for them to then buy houses, cars and all those sorts of things. However, this government does not recognise that they must have private business succeeding in order for people to have jobs, in turn to have money to spend. They must have the private sector succeeding in order for businesses to pay the taxes which are what enable the government to fund the services to the community.

But what has this government delivered? It has delivered high payroll taxes, it has delivered high land tax, and it has delivered high stamp duty. Other speakers have already mentioned the fact that what that does is it gets businesses to go interstate. I have spoken more than once in this chamber about the fact that I had a constituent come to my rooms in Heysen, up in Stirling, who told me that he had spent his entire adult life, virtually, building up a property portfolio. That property portfolio amounted to about \$15 million worth of residential property, and from that he earned his living. He was responsible for the maintenance and so on.

He came to see me to say, 'Look, I cannot actually contain the cost of holding this property in this state. I have to sell it and go elsewhere, and I've come to tell you, as my local member, that the tax regime in this state is forcing me to sell my entire property portfolio and go elsewhere.' He said, 'The first six months of rent goes just to pay the land tax, and then I still have to pay the council rates, and I still have to pay the maintenance, and the insurance, and all the other costs associated with holding that property.'

He said, 'I'm lucky if I make one to two weeks out of the rental that I receive every year as actual income. I'd be better off having the money in the bank.' Of course, that chap is just one of many selling their properties in the state. In fact, I seem to recall an earlier treasurer who had his investment property in Sydney in the Darling Harbour area for the very reason that you cannot afford to hold property in this state.

The problem is that people then move their business interstate and move themselves interstate, and that has a ripple effect because it means that people have not got as much property to then rent, and rents go up. What happens when rents go up? They become less achievable and less affordable. This government does not seem to recognise that most businesses in the state end up paying land tax, because most of them work out of rented premises.

The vast majority of our 142,000 businesses—the small business sector of the state, the small to medium enterprises—work out of, by large, rental premises. Although they cannot have the actual land tax imposed, I can guarantee you that every landlord, when they are resetting their rental for a property, has to take into account what it is going to cost them to hold that property. So we have that problem.

Then we have payroll tax. What this government has done with payroll tax just beggars belief. They have the audacity, the gall, to stand up to try to sell as a positive some \$11 million input to make a benefit for the payroll tax budget for the people who pay payroll tax; it is just a nonsense. We all know and clearly remember that prior to the last election we announced a policy that said, 'You know, at the moment you pay payroll tax for all your employees, but if they're trainees or apprentices, you get an 80 per cent rebate. So, let's do business a favour, let's make it a 100 per cent rebate and make it so that you don't have to pay it in the first place. So, payroll tax will not be applicable to all the trainees and apprentices.'

The government decided that they would make that same promise so, a couple of days after we announced it, the government decided they would announce it, and they matched our promise, and they kept it for the first budget after the election—there it was, they kept that payroll tax improvement. Of course, next budget, it was gone again. They change the whole system and they generously say, 'We are going to give you back \$11 million benefit in payroll tax concessions and changes,' having taken by that one mechanism something like \$120 million back from the people who are struggling to pay the payroll tax in this state.

And, of course, in relation to stamp duty, it is just laughable that this government can suggest that we are going to have a 12 per cent increase in stamp duty year upon year through the period of the forward estimates. I know a lot of people in the real estate game and they tell me that, from where we bottomed out—and we are starting a slight bit of recovery, but from where we bottomed out a couple of years ago in real estate, our prices had dropped so significantly that the market will not recover back to where it was pre-GFC for about 10 years, which means we have still got eight years to go of really struggling in the real estate sector.

We already know that dozens of businesses are facing insolvency and, as the leader mentioned in his speech this morning, it is not just Spring Gully, it is dozens upon dozens of businesses that are struggling to pay the taxes in this state, and struggling to survive as a result, and the state cannot survive if small business cannot survive.

Then, to add to all of that worry, we have WorkCover. WorkCover in this state is a disgrace. This government inherited a WorkCover regime where we had improved it. Without taking away workers' rights we had improved WorkCover in the state. We had reduced the overall contingent liability, the unfunded liability, for the future down to something like \$59 million at its best, and this government has blown it out to over \$1.2 billion—\$1,200 million of unfunded liability for WorkCover.

In the course of doing that, not only have they diminished the workers' rights—here, a Labor government has diminished workers' rights to achieve an outcome—they did not achieve the outcome they promised anyway. The contingent liability, the unfunded liability, did not continue to reduce, it continued to blow out. What is more, through all of that we have a levy which is more than double the average of the rest of the states, and we have the worst return to work rate. How is business meant to survive in this state when that is the tax regime that this government has delivered them? It is just a nonsense.

Then the government says, 'We are going to give our work to local people.' What do they do? They say one thing and they do entirely the other. Just to give one example: we all remember 'cartridgegate'. This government says there is no corruption here but we all remember 'cartridgegate' where the government ended up with a situation with people buying particularly expensive cartridges for computer systems and so on and, in return, they were getting things like flat screen TVs and all sorts of wonderful gifts.

Okay, it is good that it was found out, it is good that it was acknowledged and there was an investigation and we stamped that out, but the government's next response was to say, 'Well, in order to make sure that can't happen, we're going to use a sledgehammer to crack this walnut. We're going to make it so that all of the government purchasing comes through one tender.' So they include in that tender the supply of all the stationery requirements for the schools.

Our schools throughout the state have been supplied by newsagents around this state and by a company wholly owned by the newsagents, in a cooperative, for about 40 years, and for our

newsagents that was a good, guaranteed source of income for them, buying all those things and with the local schools getting all those things either from the newsagents direct or via this company that the newsagents actually own.

So, what does this government do in setting up that tender? They do not even have enough foresight to recognise that those people cannot possibly tender to supply all the office requirements for the whole of this state, so they put in a sort of a tender, but they could not really tender for it because they simply were not equipped to do it.

Of course, the result is that they do not win the tender. It goes off interstate and overseas, so more money goes out of the state and, for every newsagent around the state—and there are 380 or something like that around the state—the reality is that they then cannot afford a casual on a Saturday morning, or whatever, and that person then cannot afford to buy their coffee latte at the shop afterwards. It has a ripple effect. Every time you take something out of private enterprise in terms of employment in this state, it ripples through our economy. We have this massive problem in this state and it is the government not recognising that they have actually damaged our private enterprise so badly.

Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (19:51): I rise to speak on the Appropriation Bill 2013 which is to approve the budget for our state finances for 2013-14 and the forward estimates. I take the position that as a member of the parliament that the government of the day has the exclusive privilege to decide how our money is raised in this state and how it is spent. That is the prerogative of the winning team, so to speak, after each four-year election.

What is unacceptable to me and what is unconscionable is not the selection of the priority of projects, provided they comply with the process of equal to all in that process, accessibility to all, transparency of process—that is the prerogative of government. But as I say, what is unacceptable to me is when a government acts in such a reckless way that it overspends its commitment, it runs up a debt for the future and it wastes money.

Unquestionably in the 11 years I have been here, whilst there were times I have said to the government, 'I think this is a good idea,' or, 'This is a poor idea. It is not a choice we would have made. It is not a preference we would have shared,' we are now at a stage where this government are guilty on three counts: they spent too much, they borrow too much and they waste too much.

The problem with that is that it does not just encumber the future generations, it places a burden on the existing residents of South Australia, a wearying stone of burden, that impedes their capacity to be able to provide for those in the community who either cannot work or are unable to access an income stream of their own. Clearly, we in the parliament, but the government in particular, have an obligation to provide for those who cannot provide for themselves.

What is disappointing to me is that the government appear to have no understanding of how their policy decisions cripple the very enterprises in the state—that is, the small and family businesses of South Australia, some 142,000 of them—into a state of stagnation when, in fact, if they were to just give them some opportunity, some life, some oxygen, you would actually have a living, breathing oxygen tank for the recovery of the state. That is the disappointing aspect.

For the government to come out and say this year that it is a strong budget for a strong government, strong business, strong communities, I think is a complete misdescription of what is actually crushing to communities, and we could talk all day about a litany of the social impacts that are negative and undermining of our communities. I am not going to do that today. I think there are plenty of examples where the government could face reality.

If there was just one stark reminder, it would be the front page of the daily paper that described to us the 'house of horrors'. How could it be that four government departments were so utterly bereft of any understanding, assessment or surveillance of a family of 21 people living in a household with multiple children who we now know were the victims not only of criminal offences but the most gross and obscene neglect that I have seen in a very long time? That is a stark reminder.

The government has certain privileges. The other aspect I would mention about this new treasurer and his first budget is that if ever there was an example of having a part-time treasurer with another principal role, namely as premier, this should be an example of what you do not do, and that is have a combination of those roles. However, I did find it curious that the Premier announced in his speech that there was to be recognition of the importance of strong government and that strong governments had been obviously instrumental in the development of the state.

Indeed, he quoted Sir Thomas Playford and Don Dunstan, I presume only to suggest that he was in some way in the same league as those two premiers of the state. I could start with the list of broken promises of Don Dunstan when he was premier. On day one, after getting into office, of course, he promised the Chowilla dam and that evaporated, pardon the pun.

I turn to Sir Thomas Playford. If the Premier is attempting, in his recognition of Sir Thomas Playford's era of 26 years of service as premier of this state, to say it is in some way reflective of his own importance and/or success, then he has missed the mark sorely. To compare a premier such as the ilk of Sir Thomas Playford, who was a major investor in this state, with the already wasteful era under the Weatherill regime I think is an insult to a great leader of our state.

I can pick out other previous premiers of this state. Sir Richard Butler is one, the father of the current federal Labor member for Port Adelaide. He too had an extraordinary history and contribution to this state. He was the architect of the Housing Trust of South Australia, then was Liberal premier in South Australia. He has a history to be proud of.

There are plenty of premiers of this state who have worked cooperatively with industry and business and have ensured that the rewards were shared by the general community; but to suggest that the wasteful era of Weatherill is in some way consistent, or in any way comparable, with the era of previous administrations certainly misses the mark. As they say, self praise is poor form in the sense of a capacity to be able to genuinely assess the credibility of a particular aspect.

What we have actually found, though, is that there is a consistent failure of this government to meet its own budgets. That reckless disregard for financial management has been referred to by a number of speakers in this debate. I will not repeat them. The record debts, the record deficits, the consistent failure to be able to deal with policy decisions in the management of projects, all of course focus on a consistent failure to properly manage. That is well documented. We have also gone through an era already in the short term of the Weatherill government of selling whatever is left. Sadly, that means that we also have very little left in the Reserve Bank for South Australians' future provision.

This is coupled with the 'spend at all cost' as a spend-led recovery policy to spend one's way out of trouble. This is not a new idea. Previous governments around the world—we have one in Canberra at the moment which takes the view that the best way to be able to secure jobs and secure re-election is to spend your way out of the situation. Run up a bit of debt; that doesn't matter; just keep on going. That is a way to be able to get through the difficult times, convince the people that we live with debt, that it is a natural part of our economic environment and that all will be well. That is not acceptable to this side of the house. It is certainly not acceptable for the generations of South Australians that are to receive the legacy of debt. If the government and in particular the Premier/Treasurer had any respect for our children's wellbeing, they would understand that.

The other aspect I would say is this. It is a feature of this government that there appears to be the government world and the real world, and there is a marked inconsistency between what is expected as a standard of behaviour in the government world compared to the rest of the world. Whether it is a non-government enterprise, a private enterprise or an individual employment at consultancy level, or any other form of employment outside of a direct relationship with government, the inconsistencies are stark.

Let me give a few examples of the inconsistencies in regard to the obligation that the government, as a parliament, with its bevy of rates, taxes and regulations, expects of the rest of the world and where I think the government has the gall to be critical of enterprises outside the government's economy and also insist on taking the high moral ground about some sort of carnivorous mala fides of people outside its own world.

The first example is this. The government expects (unlike its own management of the budget) the private and independent world to actually stick to their budgets. As we know, in the real world if you do not stick to your budget you have consistent blowouts and, of course, you go broke. We even have laws that insist that the independent sector cannot trade when it is insolvent. It is, in fact, illegal. There is a major legislative umbrella around the independent sector which would insist on a certain standard and compliance which does not apply to the government world at all.

Let me give another example. The government can pay its bills when it feels like it. It does not matter whether the creditors of the government might fall short in their own capacity to run their businesses or stay fluid or afloat. They do not have to pay on time. In fact, we have laws that protect governments against even being sued for the recovery of debt. On the other hand, the

independent world—the real world out there, all the rest of the world outside of the government umbrella—have to pay exorbitant interest when they default in any way or delay and pass a payment; and, of course, they could also face civil litigation and, in some circumstances, criminal prosecution. There is a real heavy regulatory hand on the real world.

Then, of course, just one example of an entitlement of an employee within an enterprise is superannuation. There are commonwealth laws which require contributions to be paid on a regular basis by an employer for their employee. Failure to do so means, of course, that they can be prosecuted and there can be very substantial penalties on the employer for failing to meet those obligations. What does the government do?

The government, of course, is self-funded. It can run up an unfunded liability which is now well over \$1 billion and toss away the care about any repercussion of having that extended liability. It does not even model its own standards on what it expects the rest of the world to comply with. Much is said about the expectation of government in regard to the independent sector and the overloading and overly burdensome taxes, rates and regulation, but they do not even meet the same standard.

I will just use another example, and that is the responsibility to staff. They are, in the real world—in the independent sector, in the non-government world—a valuable asset. They must be treated with respect and properly supported. They give a good productivity return to the enterprise, whatever it is, and hopefully a strong sense of social wellbeing and cohesion in the industry or economy to which they contribute. That is very important.

In fact, if that most important, most valuable asset of the independent world is treated in some disrespectful manner, then they obviously rebel, and the way they do that is to march off and work for somebody else. They have the capacity to do that, but there is a very high expectation and a very high standard imposed on employers. Of course there is a myriad of legislation and tribunals to secure that for the benefit and protection of employees, but what about those who work for the government?

What of the 100,000 public servants, some part-time, now in the state government? What respect are they shown? It is one thing to have security of income and security of employment, and doubtless there are a number of significant unions that at least present as securing some of these benefits to government employees, but let me put to the house an issue that is of great concern to me, and I think the greatest insult of the government to its own people, who do provide an extraordinary high level of service, largely, to South Australians even though in a productivity efficiency dividend process they do not necessarily overall stack up at the Australian level.

We have plenty of other entities at the national level that identify South Australia as not being as high performing, not necessarily because of the work that is being undertaken by many good public servants but the productivity of the service provision is low in a number of areas because the government is repeatedly putting in more and more money. In fact, very often they proudly boast that they put in more per capita to students in schools than anywhere in Australia, more per capita for the number of beds in hospitals and more per capita in police numbers on the streets. All that sounds good at first blush, but the reality is that we are actually spending more and the delivery of the outcomes, sadly, is at the lower end of the pecking order of the state status.

It does concern me that the government in that environment promises employees within the Public Service that they will have security of employment, security of tenure, high wages and more jobs available to them, and they rush out to make provision for that and they make announcements. Then in the very next budget—in all the budgets I have been here for—the announcement is made that there has to be an efficiency dividend and that someone in each of the departments has to go through and axe people. They axe them, of course, by paying out redundancy payments, voluntary separation packages and the like.

If that is not an insulting way to reward good employees, I do not know what is. In the real world that would not be acceptable. It would not be acceptable to promise a panacea of support and opportunity for employment one minute and then pull the rug out from under them the next. That is the absolute insult that, disappointingly, had little attention from the union representatives of these people. Sadly, it has been completely ignored in the entitlements of the Public Service, I think, to have a level of respect, and the government has utterly failed in that regard.

People in the Public Service who are largely providing the very significant areas of service delivery in South Australia are entitled to some respect; they are entitled to have some expectation that if they work well they will continue to have that opportunity and that the people looking after the

money are managing it in a meaningful, sensible and efficient manner so that they do not have to be put into this perilous situation of facing efficiency dividends, as they are described, which really is just another way of axing those who are often innocent and who, through no fault of their own, are going to be cast aside because of the financial mismanagement or fiscal lack of discipline of the government.

I want to mention just one project as an example of probably all of the sins of financial mismanagement of the government, that is, the rail electrification project to Gawler. I will canvass that next time I have an opportunity to address the house.

The Hon. M.F. O'BRIEN (Napier—Minister for Finance, Minister for Police, Minister for Correctional Services, Minister for Emergency Services, Minister for Road Safety) (20:10): In 2010 the economists Carmen Reinhart and Kenneth Rogoff of Harvard University published a paper called 'Growth in a time of debt'. The authors used OECD economic data to show a causal inverse link between a country's debt and its economic growth. Their purported findings were that countries with debt to GDP ratios of above 90 per cent have historically incurred a slightly negative growth rate.

The paper came out at a crucial juncture in world politics. It offered the justification for policymakers intent on a pivot from stimulus to austerity. The paper became a sacred cow of the self-proclaimed guardians of fiscal responsibility. Reinhart and Rogoff's 90 per cent debt to GDP tipping point theorem began being treated not as an hypothesis but as an iron law of economics every bit as durable as the laws of supply and demand.

In April, a response written by Thomas Herndon, Michael Ash and Robert Pollin of the University of Massachusetts at Amherst exposed three methodological errors. Their response showed that Reinhart and Rogoff selectively excluded years of high debt and average economic growth. Secondly, they used a peculiar weighting in their comparisons which falsely equated country data. Finally, and perhaps most damningly, an Excel coding error fully omitted Australia, Austria, Belgium, Canada and Denmark from the analysis—all economies which grew steadily despite assuming debt burdens.

After several unsuccessful attempts to replicate the findings, it was eventually realised that they were obtainable only through flawed methodology. Nevertheless, these results formed not only the thesis of an earlier book, but set in motion ruinous austerity drives around the world. I quote the words of Mike Konczal, an American economist and fellow of the Roosevelt Institute who stated:

Let us hope that future historians will note that one of the core empirical points providing the intellectual foundation for austerity in the early 2010s was based on the accidental omission of spreadsheet data.

The Reinhart and Rogoff debacle contains lessons for policymakers. The catalyst for crisis may have been speculative investment and inadequate financial policing but its propellant has been austerity.

The Leader of the Opposition has been one of the most vocal crusaders on this subject. He has delivered impromptu public sermons in this very chamber, singling out public debt as the biggest danger to our state. According to him, we are in danger of spiralling out of control and consigning South Australia to a moribund economic future.

I would like to take a moment to describe the differences in the societies imagined by the Leader of the Opposition and by the government. As we have so far heard little in the way of a substantive policy position from the leader, this description is, by necessity, somewhat deductive. However, there is still ample evidence of his disinterest in the public good and his debt monomania. I wonder what the Leader of the Opposition would say—

Mr GARDNER: Sir, point of order: I think that the minister is straying a very long way from the substance of the bill in question and I think he should be drawn back to it.

The DEPUTY SPEAKER: I don't think there is any point of order. The minister can continue.

The Hon. M.F. O'BRIEN: I wonder what the Leader of the Opposition would say when presented with the dual revelations of the Reinhart and Rogoff episode and the news that the European states which most vigorously pursued austerity have had the least success in managing their debt. I wonder what he would say about the release of data which shows that Europe is in the midst of its longest recession. I wonder, in fact, what he would say to the news that, on the eve of

the state budget, the IMF released a report on its approach to the Greek economy which amounted to a mea culpa.

The Leader of the Opposition attacks this government's economic management with gusto, all the while hoping that South Australians do not recognise an inconvenient truth: his jeremiads are not supported by reality. Undeterred by an inconvenient reality, the opposition believes that the best way to manage our debt is through deep fiscal cuts, the likes of which have been implemented overseas. This would deprive South Australia of not only the public goods and services needed to enrich our quality of life, but of the economic activity needed to repay that debt. We are told that, in effect, our economy must be destroyed so that it can be saved.

A recent feature in the *Australian Financial Review* flatly contradicts this approach. In documenting the increasingly rancorous debate between Reinhart and Rogoff and Paul Krugman, the Nobel Prize-winning economist turned newspaper columnist, the article points out that gross government debt in Australia is expected to peak at no more than 25 per cent of GDP. While this sum ought not to be dismissed with a wave of a hand, it demonstrates the fundamental solidity of the Australian economy.

The so-called wanton profligacy, of which the leader spoke today, is actually the cost of providing broad services to the greatest number of people. Nevertheless, this government is working toward key public sector savings which will be made without the undue curtailing of services. Hence it has established the telecommunications taskforce, consolidated administrative functions into Shared Services and committed to the trimming of public sector FTEs. The result will be a leaner, more efficient government sector still capable of high calibre service delivery.

The South Australian Labor government is committed to making the structural reforms needed to keep our economy competitive and our budget sustainable. It is on track for return to operating surplus by 2015-16. However, it knows that these reforms can be made without unduly increasing unemployment and risking recession. Throughout it has observed that the best way to maintain growth is not through the doctrine of austerity, but instead through the expansive social program it has been committed to since its first day in office.

The charting of a sustainable measured path back to surplus does not just displace or defer the costs of structural reform. It lowers them because it does not allow for the emergence of a class of long-term unemployed which find it substantially more difficult to resume from where they left off. To paraphrase John Maynard Keynes, it is the boom, not the slump, which is the time for austerity. Now, this is not an abstract dispute. It is one which will affect the future of many, if not all, of our citizens.

An article published in the *InDaily* on 23 April tells of the opposition's plan, should it be entrusted ever with the levers of power, to immediately divest itself of all responsibility to govern. Under a Liberal government that responsibility would fall to a throng of unelected and unaccountable private sector-led commissions.

Members interjecting:

The DEPUTY SPEAKER: Order!

The Hon. M.F. O'BRIEN: This would enable it to evade any responsibility—

Members interjecting:

The DEPUTY SPEAKER: Order!

The Hon. M.F. O'BRIEN: —for bad news and to shirk its obligation to make difficult decisions. We are told of a decade-long handbrake on our state economy, but hear of no credible solutions. We are told that the Leader of the Opposition has come from the real world of small business. Speaking as a former small business owner, let me say that no world is more real than this one in the parliament. This is a world that compels us to make decisions which affect the livelihoods of South Australians and to make those decisions every day.

This is your opposition, Mr Deputy Speaker. In his book *The Affluent Society*, the American economist John Kenneth Galbraith spoke of the need for public services to stay abreast of private demand. By his reckoning, when a society does not provide the goods and services that form the architecture of public life, it succumbs to an atmosphere of private opulence and public squalor. Public squalor is the by-product of excessive thrift.

Since the practice of criticising policy without offering a credible alternative belongs exclusively to the opposition, let me now speak about the legacy so far left to our state by this government. By the reckoning of *The Economist*, Adelaide is the world's fifth most liveable city. This liveable cities index uses a matrix of criteria across five broad categories: stability, education, health care, culture and education and infrastructure. These categories are then divided into 30 factors to produce a score from 1 to 100, with 100 implying the ideal city.

Adelaide scored 96.6 and was good enough to secure fifth place in the 2012 index, four places higher than a year previous. Our reason for moving four places higher was our commitment to infrastructure. We were below only Melbourne, Vienna, Toronto and Vancouver, not that you would know this from the opposition's unceasing complaints. From this, two points emerge: first, that this is a stamp of approval from a publication which has no reason to either praise or slate Adelaide.

The second point is that the legacy of these cities is the legacy of men and women who believe that government is the primary instrument by which inequality is curtailed and life improved. In South Australia that legacy belongs to this government, which has pledged to provide the means for a generous and inclusive society. This vow has been vindicated many times over. In addition to the livability index, the *Chicago Tribune* recently wrote in glowing terms of Adelaide, calling it one of the world's best designed cities. *National Geographic* is filming a documentary, which will feature Adelaide as one of 18 smart cities. This will be an opportunity to showcase the city's thriving urban culture.

Although the acclaim is now pouring in, there was a time when these plaudits were scarce. This is not a coincidence. It is the passion and dedication of this government, the arts community, urban planners and the city council that have earmarked a vibrant city and assisted in our renaissance. Incidentally, the vibrant city concept is one of the seven strategic pillars of this government. The extent of this investment in infrastructure by this government runs deeper still.

Concrete was recently poured on the second storey of our new hospital, while work is nearing completion on the SA Health and Medical Research Institute. The government is making significant improvements to transport infrastructure to develop its trade corridors and improve access. It is enabling an environment amenable to our small business owners by offering payroll tax relief, whilst spending almost \$20 million to support art and culture. All the while it is ensuring that advanced manufacturing has a future in our state.

These are some of the fruits of a bountiful public life. The opposition attempts to discredit a record it could not emulate. There is no better way to bequeath our admirable quality of life to the next generation than by investing to keep South Australia at the vanguard of prosperity and opportunity. Liberal democracies are committed to the notion that men and women ought to be in full control of their destinies, yet our theoretical freedom to live life on our own terms means little if society is organised in a way that denies us that opportunity.

Because this is a government that wants more South Australians to attend the best of all possible schools and universities and have access to world-class vocational training, it has made historic investments in education. Because this is a government that wants all South Australians to have affordable access to quality health care, it has spent generously and wisely in that area. Because this is a government which recognises that a decent job not only pays the bills but nurtures the spirit, it has committed to improving our state's infrastructure and industry. If ever you should hear that government ought to get out of the way, understand that claim for what it is, an abdication of duty and a capitulation to ill-informed interests.

We should not shy from the debate about how to extend the privileges enjoyed by some into the opportunities given to all. The opposition would have us believe that we can no longer pay for the world's fifth most liveable city and, by extension, the world's fifth most liveable state, and that we can no longer afford the society which made it so. This government rejects that proposition. This government points with pride to over a decade of providing jobs, infrastructure and opportunity. It affirms a commitment to continue doing so in the service of all South Australians.

Mr WILLIAMS (MacKillop) (20:25): I am delighted that I was here to listen to the speech of the Minister for Finance.

Ms Thompson: Do you understand it?

Mr WILLIAMS: I did indeed understand it. I will paraphrase because he quoted John Maynard Keynes. When I studied economics I was told to go and read a heap of John Maynard Keynes.

An honourable member interjecting:

Mr WILLIAMS: It was a long time before the leader, actually. I was a bit surprised that he only started economics in 1983. I think I started studying economics about 10 years prior to that. John Maynard Keynes was pretty big in those days and even before I went to my first lecture I was told to read *The Affluent Society*. I will paraphrase because I have not written anything down, I just heard what the Minister for Finance said, that it is the time of the boom not the time of the bust for austerity measures, which fits in very well with what I was going to talk about.

I have a little table here that I have compiled of figures out of the budgets over the term of this government. In the early years of this government we did have a boom. In the early 2000s South Australia enjoyed probably the best economic years it had had for at least 30 years, and probably since the post-war boom. What did this government do? I will give some credit, it did pay down the debt, but it also started on the path of the culture which it has stuck with; that is, to spend every cent it can get its hands on.

In its first year, the budget year of 2002-03, the government spent \$184 million more than it budgeted for. It received some \$528 million, over half a billion dollars more than was in the budget for that year. It got better at it. In the next year it spent \$467 million more than it budgeted for, but it received \$794 million more than the budget for the 2003-04 year said would be the revenues. This is those really good times: the boom. Did the government indulge in austerity? Did it set up a future fund? Did it put away any money for a rainy day? No; it kept spending.

The next year (2004-05), \$487 million more than was budgeted for was spent. Fortunately, revenues kept going up and the revenues exceeded the budgeted figure by \$595 million—no problems happening yet. In 2005-06, expenditure was \$370 million in excess of the budget, but revenue was still \$521 million over the budget. So, notwithstanding that the government was spending a lot more than it was budgeting for by hundreds and hundreds of millions of dollars the revenues kept building and kept it out of trouble.

In 2006-07, the same thing: expenditure was \$374 million more than the budget, but revenues were \$493 million more than the budget. This is why the debt got paid off, because not even this lot could spend the money as fast as it was coming in. It was going to come to an end, but not quite yet.

In 2007-08 expenditure exceeded the budgeted figure by some \$304 million but the revenues were a whopping \$739 million more. The 2007-08 year is an interesting year, because it was in August 2007 that what has become known as the global financial crisis started to break out. That was when there were the first signs, August 2007. By late 2007 we saw the collapse of major banking institutions in the Northern Hemisphere, and we saw the global financial crisis begin.

In 2008-09, what happened in South Australia? Revenues started to come back a little bit; they only exceeded the budgeted figure by \$276 million, but by this stage the government was getting right into its stride. It spent over the budget by \$670 million. Did the government see that there was going to be a problem? Not really, because in the next year it spent another \$599 million more than the budget. It was somewhat buffered from any ill effects of that because revenues continued to climb, coming in at just over \$1 billion, \$1,090 million, more than the budget had estimated. That was 2009-2010. The government still had not learnt the lesson, but it kept talking about this global financial crisis.

The real crunch was the next year, when revenues were actually \$69 million below the budgeted figure. Of course the government panicked, and spent \$406 million less than the budgeted figure. I will not go over all the details that my colleague the member for Davenport, the shadow treasurer, and/or the leader gave in this debate, but certainly in the year 2009-10 the \$1,090 million that I just talked about as increased revenue came about because the federal Labor government poured hundreds of millions of dollars into South Australia to try to save the neck of this government in an election year.

In 2011-12 the government still spent \$174 million more than it had budgeted, and revenues almost matched that, being \$178 million over the budgeted figure. In the most recent year, revenues are still \$190 million more than what was in the latest budget, but expenditure was some \$637 million more than what was budgeted.

Those figures just show the problem we have got ourselves into in South Australia. As my colleague the member for Davenport, the shadow treasurer, said, unlike what the Premier, the part-time Treasurer, would have us believe, that we have a revenue problem in South Australia, the problem we have is an expenditure problem. This government has a serious expenditure problem. It cannot curtail its desire to spend, spend, spend.

It is only because we had those fantastic revenue years in the early part of the 2000s that this government got away with it and got itself re-elected. It had already established this spendthrift culture. We have now got to the point where the revenues have plateaued. They are still going up; in fact, they are still going up at a greater rate than inflation in this nation, but the government still has not accepted that fact.

I was reading some Francis Bacon recently, and I think the piece I was reading dates back to the late 1500s. He made a comment that made me put a note in my copy about the similarity between his complaint then and this particular government. I will paraphrase, but he said something along the lines that it is always the complaint of the governing party or group that the times that they live in are difficult. This government keeps complaining about the times we live in. It keeps complaining about the global financial crisis. Let me remind the house that the global financial crisis became evident in that 2007-08 period; that is five or six years ago. This government has been complaining about the impacts of the global financial crisis for five or six years.

They have not changed their culture. They did not do anything to respond to the reality that our revenues were not going to continue to go up at the rate they did in the early 2000s. Not only that, the Premier and part-time Treasurer would have us believe that we are going to get back to those halcyon days within the next couple of years and that the revenues are going to rebound so dramatically that he can deliver a surplus and get the state's debt paid off within a few short years.

As the member for Davenport pointed out, we have, in this current budget, the biggest deficit ever for this state. We have accumulated the biggest debt this state has ever had, yet the part-time Treasurer—and that might be part of the problem—would have us believe that our revenues are going to turn around so dramatically that within a few short years all of that will be paid back, that the budget will come back into surplus and we will pay down that debt. It is absolutely unbelievable.

The evidence is quite stark: you look at what this government has been saying year on year and then you compare that with the evidence that is produced after we go through the time period they predicted certain things would happen. They are in cloud-cuckoo-land, and they have been in cloud-cuckoo-land for a long period of time. They keep predicting that things will miraculously turn around; they never have. Nothing that this government predicts actually occurs, nothing that this government promises is actually delivered.

The Minister for Finance waxed lyrical about how wonderful it is to live in this state. We are very lucky that we have a great place to live; we enjoy great weather. He talked about the layout of our city as if to say that that was delivered by this government. I think that it was established by Colonel Light a long, long time ago, and thank God for that—

Mr Gardner: 176 years.

Mr WILLIAMS: Yes—because this government would not have delivered what our forefathers did. The Minister for Finance talked about the spend on infrastructure. Let me talk a little bit about some of the infrastructure this government has spent on; for example, the electrification of the rail line out to Gawler. They started spending millions of dollars of commonwealth money—I understand that some \$51 million still resides in Treasury that has not been spent, and the government has been pleading, cap in hand, for the commonwealth not to ask for it back; goodness knows what might happen there—erecting all the poles out near Gawler, at the northern end, and they said, 'Whoops, we've run out of money. We'll put that on the backburner; we'll stop doing that. In the meantime, we'll proceed with the southern extension down to Seaford and we'll electrify that. How good are we?' Of course, that is all being paid for by the commonwealth.

Mr Whetstone: Marginal seat campaign.

Mr WILLIAMS: Yes, marginal seat campaign as well. They have been changing the minister for transport fairly regularly over the term of this government, but some bright spark from the department conjured up the courage to knock on the minister's door and said, 'Minister, we've

got a bit of a problem.' 'Oh,' said the minister, 'What problem could we have?' 'Well, we've got a problem; we're going to be running electric trains down south of the city and our service depot is out at Dry Creek, and we have no way of getting the trains from the southern part of the network to Dry Creek to service them.'

So, all of a sudden, the government has a brainwave. They spend millions of dollars between Dry Creek and Gawler, and now they have to come back and spend millions of dollars to get electrification from the city to Dry Creek just so that they can service the trains—not so they can carry one passenger—in order to operate on the line down to Seaford.

I think I heard the Minister for Transport interject across the chamber in question time today, 'And you don't have a transport policy.' Well, if that is the sort of transport policy this state needs, I am glad we do not have it. It is an absolute disgrace that, when this state is on its knees financially, we have a government that makes those sorts of stuff-ups.

Let me talk about the desal plant. This government made a political decision to spend an extra billion dollars of taxpayers' money to double the size of the desal plant. Thank God for the commonwealth Auditor-General, who did an inquiry into this, because we have now actually got hold of some of the facts. I can tell you, sir, I spent the last seven or eight years trying to get hold of some of the facts, and it is the hardest thing to get information out of this government; it is the most secretive government in the history of this state. But the commonwealth Auditor-General has spilt the beans: there was no cost-benefit analysis.

How can the Minister for Finance say that it is a great thing that we are spending money on infrastructure when this government does not do a cost-benefit analysis on that sort of expenditure? How would he know whether or not it was a good thing to spend the money on that piece of infrastructure when nobody had actually done the work? Not only is the government lazy but they are also incompetent, and that is the problem that we have in this state today: we have a government that is both lazy and incompetent.

We had a government that spent a billion dollars more than it needed to on the desal plant—a plant that will probably never be used inside 30 years; that has been confirmed by the commonwealth Auditor-General. It is money which should not have been spent on that project and which may have seen the complete electrification of the line all the way to Gawler. Indeed, it may have seen a couple of dollars spent outside of metropolitan Adelaide, on that 30-odd per cent of the population that does not live in Adelaide and that contributes greatly to the economy of this state. When I looked through this budget, I saw precious little being spent outside of metropolitan Adelaide. Again, that is another problem of this government.

We look at what has happened with infrastructure spend throughout the state. The Premier stood up in question time today and said, 'We have tabled in this place the details of the contract with Holden, and it is there for everybody to read.' This is plainly wrong; there has been no tabling of the contract. There has been no tabling of the documentation. Unfortunately, the people of South Australia have been deceived by this government for far too long, and they are only now coming to this realisation.

The government has run out of ideas, and it has certainly run out of money. That is why the only thing left for this government is to keep jacking up taxes. As the Leader of the Opposition says, this is what is putting the handbrake on the economy of South Australia, this is what is squeezing small business in this state, this is what is causing the ongoing problems with this state, and this is why I and those on this side of the house do not believe the Premier and part-time Treasurer when he tries to tell us that revenues will return dramatically in the next few years and that we will all be saved. We just do not believe it because the evidence is quite strong.

For 11 long years, Labor has been telling the people of South Australia about all the wonderful things that are going to happen. For 11 long years, Labor has failed the people of South Australia. For 11 long years, Labor has been spending money they did not really have; they have been spending money recklessly. We had only today, again, in the house, talk about the university's plans to build a new medical school down on the western end of the city.

The Hon. S.W. Key: What's wrong with that?

Mr WILLIAMS: What's wrong with that?

The Hon. S.W. Key: Yes, what's wrong with that?

Mr WILLIAMS: It is a total waste of money, just like shifting the hospital down there was a waste of money—that is what we said in the first place. If you shift the hospital, you have to shift the medical school. You have to shift all those other ancillary services and functions that are currently delivered at the eastern end of the city. Not only have we wasted billions of dollars building a new hospital when we should have rebuilt on the same site, now we have to shift all of the other services and all of the other functions down there as well.

We had the government say, 'How good is this? We are getting some investment.' I think we would be better off if we invested in something new rather than rebuilding something that we have already. That is why you do a cost-benefit analysis, that is why this government continues to get it wrong and that is why this state will continue to languish until, hopefully by this time next year, we will have a new and better government.

Time expired.

The Hon. A. KOUTSANTONIS (West Torrens—Minister for Transport and Infrastructure, Minister for Mineral Resources and Energy, Minister for Housing and Urban Development) (20:45): It is amazing, after that contribution, that he was deposed as deputy leader—it really is. Hell hath no fury like a deposed deputy leader. I have to say that listening to the member for MacKillop speak is like looking at an old calendar: yesterday's argument, yesterday's news, arguing the old fights, bringing up the 2002 election, the 2006 election and the 2010 election and then pouring scorn on the people of South Australia for electing this government over and over again.

He cannot believe it keeps on happening. 'How silly can they be? How stupid can they be? They keep on electing this government. Can't they see what I see?' Can't they see what the member for MacKillop sees? He is like the old calendar just sitting on your fridge: old ideas getting crinkly, the end parts turning over, the magnet not quite working and sliding down the fridge. Once fiercely independent, he is now just fiercely angry—that is all he does. He is just angry—that is all he has got. Why are they angry? Because we are governing.

Mr Whetstone interjecting:

The Hon. A. KOUTSANTONIS: Now we have interjections from the campaign strategist from Chaffey—the man whose stunning campaign won the safest Liberal seat in the state. He had a cunning campaign plan. Are you ready for this? It was 'vote Liberal'. He convinced Liberal voters to vote Liberal. He is a genius.

He is the guy who was the mastermind behind the Martin Hamilton-Smith challenge. Remember that one? Challenge No. 3—that went well! Then, after he got his mate up, he got promoted to the backbench. That was the reward for all his hard work and endeavour—the backbench.

Mr Whetstone: Anyone laughing?

The Hon. A. KOUTSANTONIS: Everyone is laughing.

Mr Whetstone: No-one's laughing but you.

The Hon. A. KOUTSANTONIS: Everyone is laughing. Today, I listened respectfully to the Leader of the Opposition give his budget—

Mr Gardner: You spent your whole time on the internet.

The DEPUTY SPEAKER: Order!

The Hon. A. KOUTSANTONIS: I listened to his budget reply. I saw him speaking, but he did not say anything. After 11 years of opposition, you would have thought that the opposition may have thought it appropriate in time to talk about some of their policies. The Leader of the Opposition spoke at length about small business, and that is fine.

Mr Gardner: You have got a budget that you are not even wanting to talk about in your speech.

The DEPUTY SPEAKER: Order!

The Hon. A. KOUTSANTONIS: I have only just started. I will talk about you in a second. Don't worry, I haven't forgotten you. It is okay. Don't worry, you are one of my favourites. He spoke for a great deal of time about small business, but—

Mr Whetstone: The brains trust of the Labor Party, Tom.

The DEPUTY SPEAKER: Order!

The Hon. A. KOUTSANTONIS: Now you are using my lines about you. The difference is my lines about you are right. Yours are just sad and pathetic.

An honourable member: Just like Winston Churchill.

The Hon. A. KOUTSANTONIS: And I haven't heard that since primary school. They keep on getting better and better. What else have you got?

Mr Whetstone interjecting:

The Hon. A. KOUTSANTONIS: There we go. Yes, that's what I thought. The reality was, in his speech today, that the Leader of the Opposition had an opportunity to tell the people of South Australia, with less than a year to go to the election, what his plan is for South Australia. Given the article written by Michael Owen in *The Australian*, I thought that the Leader of the Opposition would have been stung into action, because it was quite a scathing article about his tactic to not release any policies until after the federal election.

What I have heard around the corridors was that, at the end of Mrs Redmond's leadership, one of the complaints amongst Liberal backbenchers was that this small target policy strategy was not working, that they did not want to wait until after the federal poll and they wanted a steady release of policies. That was one of the platforms that Martin Hamilton-Smith and the current Leader of the Opposition were running on to depose the members for MacKillop and Heysen. The first challenge failed and then we had this awkward situation where the former leader of the opposition is in place with a deputy who voted against her. That was never going to last. That was always going to come crashing down. Then obviously the Leader of the Opposition took over when Mrs Redmond resigned the leadership and he took the position. After he took this position up he promised the people of South Australia a fast and steady flow of policies.

Thus far, the policies I have heard from the Leader of the Opposition are: an audit commission, which he changed today to a productivity commission; he is going to replicate Infrastructure Australia with Infrastructure South Australia; and he is going to fire Tony Harrison. They are the policies I have heard the Liberal Party announce. They have not announced a regional policy or any regional roads policy. They have not announced any policy on health or education. They have announced that old chestnut of getting police to do less paperwork and more time on the beat. Every opposition since Frank Walsh has announced that policy. Thus far, there has been nothing new.

You have to ask yourself, after that budget reply speech today, what can South Australians assume the opposition has in store for South Australia? What is their strategy leading up to the election? I think it is safe to assume that, as the government outlines its vision for the state in the budget and outlines its program of building on infrastructure—something that the Leader of the Opposition started off by saying, 'That was false economy spending,' and then came back later and said, 'Actually, debt levels are quite good,' but today said, 'Debt was immoral.'

We are in this contradictory position where the Leader of the Opposition says that debt is immoral and, if it is immoral, where is the plan to lower that debt? If it is a moral challenge—we are less than 12 months out from the election—where is the plan to reduce debt? He said in his speech today that he did not like the idea of efficiency targets being across all portfolio areas at the same level—1 or 2 per cent. He said, 'Why can't you have 6 or 7 per cent on one portfolio and nothing on another?' So, you look at the budget—

Mr Whetstone: That's not what he said.

The Hon. A. KOUTSANTONIS: It is exactly what he said. If you look at that you think, 'He said 6 to 7 per cent of one portfolio area.' One department gets 6 or 7 per cent, but he didn't tell us which one, so I will take a guess. Let's say health, which is the largest-spending department in the government. If you say to the health department, 'Your efficiency dividend is now 6 per cent. You will make 6 per cent worth of savings.' Well, that is two metropolitan hospitals closed. That is putting all nurses on individual contracts. That is closing almost every regional hospital.

Members interjecting:

The Hon. A. KOUTSANTONIS: I believe it. I have seen it before. I have seen the Liberal Party in government and I have seen what they say at an election and what they do in their

budgets. I have seen the difference. I have seen members of parliament, who used to sit on this side of the house, say they will never sell ETSA full stop, and then come into the parliament directly afterwards and sell ETSA. I have seen them say that they will not slash police numbers and close police stations. I have seen them say that they will not close any schools and close schools. I have seen all this happen before.

It seems to me that, if you are going to promise Infrastructure South Australia and a productivity commission—two bureaucratic bodies that already exist on a national scale, which serve South Australia, and serve South Australia quite well. Infrastructure Australia is headed up by a South Australian, and Jim Hallion, our chief executive, is on Infrastructure Australia. I would have thought that perhaps we would take advantage of these national bodies rather than trying to duplicate the bureaucracy. The thing I think most South Australians have the most anxiety about is Public Service numbers. I wish I had the member for MacKillop's direct quote here but, directly after Ms Redmond issued her 20,000 to 25,000 public servants being dismissed, he said to *The Australian* that every person in the Liberal Party shadow cabinet agreed to that policy to a man. That was his quote.

An honourable member interjecting:

The Hon. A. KOUTSANTONIS: Yes, to a man; that's another issue. That is the policy. Mr Marshall today said that his baseline for job cuts is our total amount—5,000 or so—so anywhere between 5,000 to 20,000 will be the number, but he will not tell us until the election campaign. You have to ask yourself: why would you keep that quiet? I think the Leader of the Opposition is entitled to release policies now based on current budget projections and, if in the Mid-Year-Budget Review those figures change, he would be entitled to say, 'Our policies will therefore change.'

That would be an honest debate; and who could criticise him for doing that? Who could criticise the Leader of the Opposition for saying, 'We relied on the budget figures in June, but now in the Mid-Year-Budget Review in December they've changed; therefore, we are changing the scope of our promises.' That is reasonable. Who could possibly argue against that? But Mr Marshall will not do that. Mr Marshall and the state Liberal Party are going to curl up into a ball—

Mr GARDNER: Point of order: we have been for some time under the instruction of the Speaker not to use people's names, and we have let it go a few times tonight.

The DEPUTY SPEAKER: Yes, you should try to refer to the member by the name of his electorate or as Leader of the Opposition.

The Hon. A. KOUTSANTONIS: Sure. The Leader of the Opposition is going to curl his political party into a ball, and their campaign is going to be 'It's time'.

Mr Whetstone: We're united over here.

The Hon. A. KOUTSANTONIS: Yes; I saw your former deputy leader and your other former deputy leader and the other deputy leader and your leader.

Mr Whetstone: This is today.

The Hon. A. KOUTSANTONIS: Yes, this is today, not four weeks ago. They are going to wrap themselves into a ball, and their argument is going to be—

Mr Whetstone interjecting:

The DEPUTY SPEAKER: Order!

The Hon. A. KOUTSANTONIS: —that it is their turn. Our argument is going to be that we are going to offer a vision for South Australia. Their alternative is going to be that it is just time for them to have a go. Now I think a lot of South Australians probably right now are sympathetic to an 'it's time' argument, but they are not fools. South Australians will not accept an opposition who attempts to enter government without espousing any policies.

We are not talking about one or two one-liners. We are talking about a detailed health policy, a detailed education policy, a detailed law and order policy, a detailed regional policy, a detailed infrastructure policy. Thus far, the Leader of the Opposition has ruled out any infrastructure spending. His counterpart in Canberra, Mr Abbott, has ruled out any federal money towards public transport, so there will be no commonwealth money if they are successful in any Liberal promises.

So, we have to ask ourselves: how will he then face this massive moral challenge that he says is about getting our debt levels down faster than we have projected? Well, there is only one way to do that. You either increase taxes or you privatise and sell assets. You have to ask yourself: which assets would the Leader of the Opposition likely attempt to sell? My instincts are that he will probably close a hospital—he will not rule that out. He will probably introduce toll roads—he refuses to rule those out. He will close schools—

Members interjecting:

The Hon. A. KOUTSANTONIS: Rule it out.

The DEPUTY SPEAKER: Order!

Mr Whetstone: Are you writing our policy now?

The Hon. A. KOUTSANTONIS: Rule it out. That's the idea.

Members interjecting:

The DEPUTY SPEAKER: Order!

The Hon. A. KOUTSANTONIS: This debate could end instantly. All the opposition has to do is rule out closing any hospitals. Rule it out.

Mr Whetstone: How many schools did you close in the last 12 months?

The Hon. A. KOUTSANTONIS: Are you going to rule out closing the hospitals forcibly? Are you going to rule out closing any schools forcibly? Are you going to rule that out?

Members interjecting:

The Hon. A. KOUTSANTONIS: And that's the point.

Members interjecting:

The DEPUTY SPEAKER: Order!

The Hon. A. KOUTSANTONIS: The point is that members opposite, who are so tangled up in their inability to actually talk about what they are for, because all they talk about is what they are against, have no ability to talk about—

Mr Gardner interjecting:

The Hon. A. KOUTSANTONIS: Hang on, darling, I will get to you in a minute. Don't worry, I haven't forgotten you. They have no ability to talk about what it is they want to do. All they have the ability to do is talk about what they do not like, and that is easy. Anyone can howl at the moon, which is what members opposite do. They talk about infrastructure and they talk about how Darlington is a better option, but they rule out committing to Darlington.

There is an offer on the table by the commonwealth opposition, which is heading to a poll on 14 September to become the commonwealth government. They have offered a certain amount of money for the Darlington upgrade. The current commonwealth government and this current government have committed to an upgrade of South Road between Torrens Road and the River Torrens.

It makes sense then, you would think, that the opposition would take advantage of what they think may be a successful election campaign by the commonwealth opposition to then commit to funding that part of Darlington, and they will not. They will not commit to any funding at all because they cannot make a budget, because when they commit to spending and say that debt levels are immorally too high but will not tell us how to get those debt levels down, you can only assume one thing: they are going to cut.

The question members opposite will not rule out is what they are going to cut. You can get a few of them to speak honestly about it. The former leader of the opposition spoke honestly about what their plans were and so did the member for MacKillop, when they talked about cutting 25,000 public servants. That is what they legitimately believed was going to be their plan to lower debt levels and improve their budget position if they came into office.

Mr Whetstone: You need to send this *Hansard* to all your tax advisers.

The Hon. A. KOUTSANTONIS: What was that?

Mr Whetstone: I said, who are you going to send this *Hansard* to?

The Hon. A. KOUTSANTONIS: It just shows you the level of bravery of members opposite because you just changed what you said.

Mr Whetstone: Waffling. You haven't touched on the budget once.

The Hon. A. KOUTSANTONIS: I am touching on the budget.

Mr Whetstone: Not once.

The Hon. A. KOUTSANTONIS: You might have noticed that South Road is in the budget.

Mr Whetstone: Not once.

The SPEAKER: Order!

The Hon. A. KOUTSANTONIS: I often wonder about the member for Chaffey. You think to yourself: why is he here? Why does he want to be in the state parliament? What is it that he believes in? What is it that he talks about? What questions does he ask of ministers in question time? Since Mr Marshall has taken the leadership, he has only asked questions on one day. He draws a salary of over \$100,000 a year and does not ask any questions.

Mr Whetstone: Who paid your speeding fines?

The Hon. A. KOUTSANTONIS: What has that got to do with anything?

Mr Whetstone: Is that taxpayers? Did you pay them?

The SPEAKER: Order! The minister has the call.

Mr Whetstone: Did you pay them?

The SPEAKER: Order!

The Hon. A. KOUTSANTONIS: It seems to me that when you scratch the surface, what you get is an angry little man who has no vision, no plan at all, and nothing positive to say about anyone. If the opposition is to become an alternative government, they need to start talking about what their plans are, and I think that is good for South Australia. I think South Australians deserve it and they demand it. I think South Australians deserve to have two clear choices. I think they deserve to have an argument and a debate of ideas. I think they deserve to see a government and an opposition talking and fighting about the future of South Australia. They want to see a passionate debate between two sides who have two opposing ideas; sometimes they agree, sometimes they disagree. We should have a contest of ideas rather than rants of rage.

I think if we have a contest of ideas, with one side saying they think our debt levels are immorally high, why can't we have a debate about how to get those debt levels down? Why can't the opposition say, 'If they are immorally high, this is how we would get them down?' Why can't we have a debate about public health care and public education. Why can't we have a debate about infrastructure? Why can't we have a debate about taxation, about land tax and stamp duty?

Why can't we have a debate about all of those issues and let the people of South Australia choose who they want to govern them, instead of trickery, instead of a political party that is so afraid of its own ideas that they do not have the courage to tell the people of South Australia what they stand for, less they get found out, less people actually see who they really are, because if they see who they really are, they get the member for Chaffey, and it ain't pretty because he is just an angry little man with nothing positive to say at all. It is just personal attacks, abuse. That is all it is—no positive vision for the future at all.

There are some members of the opposition who actually want to talk about policy but they are not allowed to have a say in this new Liberal Party. They are not allowed to talk about announcing policies. I think there are plenty of members opposite—and I can see one here who is a good and decent person who wants to come out and say what his plan is for the people of South Australia and put it to a debate, because he is not afraid of his ideas. He wants them to be tested but, of course, the Liberal Party has been taken out by people who shout the loudest.

They are the ones who are running the Liberal Party now, the ones who shout the loudest. Their ideas people, the quiet thinkers, the ones who probably come from the Playford legacy, have been pushed to the side. What you have are the thugs and the bullies and the people who have no plan at all. They are the ones in charge now and their vision for South Australia is about dividing

the community, talking South Australia down, saying what is wrong with us rather than trying to put up a point of view about what is right about us.

The most important thing the Leader of the Opposition said today was that health and education should be partisan and business should be bipartisan. I say the opposite. I say we should have bipartisan support for health and education and we should debate what we do for business. They are two opposing views that cannot stand.

Mr VENNING (Schubert) (21:06): I was shell-shocked after the last couple of speakers from the other side. This is my 23rd budget in this place and my last. I have to say that this is one of the worst budgets that I have ever had to sit through when you consider the ramifications of it. I remind the house that I was here during the debate on the State Bank, both the budget before it and the budget after it. Then the Labor government was in denial as it is tonight—absolutely the same.

South Australia has suffered 11 years of financial mismanagement and reckless spending under this Weatherill government and we cannot take any more. This is a very serious matter and all members ought to be concerned about it. In listening to the speeches tonight and particularly from the Minister for Finance, I could not believe that here was a businessman with some nous and a bit of a track record spouting on about going into debt. It is all very well. I am the same.

I have a business background, too, and, yes, I have used debt over the years to succeed but you do it when the climate is right, you do it when the interest rates are right, you do it when you have capacity to pay it back and you do it when you can invest in assets you know have a direct return to you instantly, and you buy it and you do it when the market is the other way around. This budget does not do any of that.

I believe members opposite are in denial and I have heard that before, as I said. I have some time for the member for West Torrens, but that was just a diatribe. State debt is fast approaching \$14 billion, the highest in our state's history. Debt has been growing at \$4.2 million per day every day for eight years. Our interest on this debt is set to reach \$952 million; that is more than the police budget. Currently we are paying \$2.6 million per day in interest. Imagine what that could be spent on. Three weeks of that would pay for a new Barossa hospital, and haven't I said that before!

But when you get to this point in life and you are in so much debt, I believe that our basic debt is about 53 per cent of our GDP. I always said in business you should not get above 30 but here we are at 53. Of course, we do not have to worry about that, do we? This government is not going to have to pay it back. No. Nobody is personally responsible about that except the members will be at the election. I wonder whether those members have thought about that. The mess we are in—I wonder whether people who are facing the firing line at the election had input into these decisions that have been made because they are going to pay the price of it.

I just wonder how the Labor Party works in relation to decisions that are made, whether the backbenchers are allowed to put up their voice during their caucus meetings or even during cabinet meetings whether everybody gets an entitlement to take on the bureaucrats and indeed the powerful three up the front. This year's deficit exceeds \$1.3 billion, the highest in the state's history. In fact, our deficit is more than New South Wales, Victoria, Western Australia and Tasmania combined. Irrespective of the rhetoric, all the politics in the world, that is certainly a worrying statistic.

We are building a new hospital, one we really cannot afford. Yes, it is nice to have it, but we really cannot afford it now; you build it at a different time. What do we do with the old one? It will cost a fortune more just to either demolish it or to refurbish it. It has not been considered. And of course the desal plant. What a joke! The government did not want to have a bar of this desal plant and then, of course, it said yes, yes, yes and they built one twice the size that we actually needed. So instead of a small white elephant we have a large one—\$800 million worth of a large one. That is really a grossly bad decision.

Who makes these decisions? I really do wonder who makes these decisions. Is it Rod Hook, who I have a lot of time for? Is it him? Does he make these recommendations to the government? I wonder who makes these decisions and whether every member of the Labor Party, particularly the backbenchers, particularly those who are going to face the electors in nine months' time, whether they have a say about this, because really that was reckless; that was reckless to spend so much money. We really hoped that we did not need it, but go to one twice what we needed was ridiculous.

The Labor government has presided over six deficits in seven years, yet all the deficits were predicted to be surpluses. How can we possibly believe Premier Weatherill when he says we are going to go from the highest deficit to the highest surplus in four years? Given their track record, the Premier and this government really cannot be trusted. To say, as he did, that the budget will be back in the black within three years is plainly dishonest. The budget indicates nothing that is going to turn this around—nothing at all. Premier Weatherill has attempted to cover up his own financial mismanagement by blaming revenue downturn. On the ABC, on 20 March, he said:

...we've had about \$3 billion of revenue gone from our Forward Estimates because of the change in the world economic situation.

But do not be fooled, sir. The facts are that revenue has actually grown by 3 per cent per year for the last four years. Over the 12-year history of this Labor government, it has spent nearly \$4 billion over budget. The Labor government has spent \$637 million this year, not budgeted for. How can you do that? Why have a budget when you can spend that sort of money over the top? Why do we have that? Of course, \$637 million is 11 Barossa hospitals. That is the money you spent over your budget.

South Australia's GST revenue will still grow by 3.1 per cent a year over the forward estimates. That is above inflation, so you really cannot blame that. This government does not have a revenue problem; it has an expenses problem, a spending problem. In an attempt to meet the shortfalls from the poor financial management, what does the Labor government do? It increases taxes and charges. Tax revenue has increased by 92 per cent under Labor.

Any politically smart person—and there are a few in this place—would understand that the people of South Australia will not cop that; they will not cop it. Under Labor, South Australia has become the highest taxed state in the nation. Nobody refutes that. It is a statistic we really do not want, a crown we do not want to wear, but we have it. This has been confirmed by two independent reports: the Commonwealth Grants Commission (CGC) and the Institute of Public Affairs.

According to the CGC, land tax was levied 36 per cent above the national average, the worst of all states. Stamp duty was levied at 27 per cent above the average, which is the worst of all states as well, and insurance tax was levied at 42 per cent above the average, again the worst of all the states. Yet the Premier disagrees with the reports produced by these two independent bodies and said again in an interview on the ABC on 25 March about the state's economy:

Some taxes are higher here than other places—but in terms of the overall net effect on business competitive environment here in South Australia comes out on top.

The findings from the Commonwealth Grants Commission, which details the increase to land tax, stamp duty and insurance tax, demonstrate that this just is not true. The Premier cannot be trusted. Just in the last 12 months, property charges have increased at twice the rate of CPI. State taxes have increased at three times the rate of CPI. Electricity bills have increased at greater than five times the rate of CPI. Gas bills have increased at seven times the rate of CPI. Water bills have increased a staggering 11 times the rate of CPI, and land tax, a suffocating tax killing investments, especially the rental and housing market, is the highest in Australia.

I think the apathy in this state has been pretty high over the years, but I tell you that this is hurting people, and whether they are Labor, Liberal or Independent, at the election they will send a very strong message. This is, I remind members, the election budget. There is nothing in here that is going to change their mind.

The cost of living has gone up under Labor since 2002 for average South Australian households. A 10-year driver's licence renewal is up by 77 per cent, and that is \$170. Public transport multitrips are up by 61 per cent, or \$650. Speeding fines are up by 170 per cent, and that is \$214. Water bills are up by 227 per cent, or a staggering \$536. All I can say is: wow! Electricity bills are up by 155 per cent, or \$1,176. Gas bills are up by 113 per cent, which is \$444. The introduced carbon tax, which excludes utilities, is an extra \$265. The solid waste levy is up by 863 per cent, or \$42.

This will hugely impact our councils and, in turn, the ratepayers. Again, our constituents are going to get hit in the hip pocket. Services are being lost. Country people will not be getting their local paper, as I said this afternoon, thrown out at their gates, as our family has done for nearly 100 years. Why? This government legislation is handcuffing the contractors with its restrictions under the safe work legislation and the subsequent red tape and bureaucracy. Is nothing sacred?

Shared Services is another debacle that everyone could see was going to fail from the start. The government announced in 2006 that it was attempting to develop a single human resource administrative department, centralising human resources, payroll and accounts into a single department. Shared Services was supposed to be completed in 2009-10 for an up-front cost of \$60 million, to save \$60 million each year. However, the project implementation has cost \$93 million so far and rising, and what are the savings? We do not know. All we know is it has caused a lot of disruption in our country regions and it has been a total disaster.

I try to be positive sometimes, but you have to really look hard to see some of the decisions of the government that have actually worked. There are some projects out there that I am quite pleased with but, when it comes to a decision-making capacity, there is very little else. I have had some experience with the government's workers compensation scheme because I sit on the committee, and it is the worst performing scheme in the nation. Labor has promised lower industry premiums and better scheme performance but has failed to deliver. Industry premiums are still the highest in the nation.

The total workers compensation unfunded liability is over \$1.8 billion, and we not only have the highest WorkCover levies but also we continue to have the worst return to work ratios in Australia. The problem is we do not seem to have the will or the capacity to address this. We have a \$1.8 billion liability, which is just staggering. We all know there is a problem but we have not done a thing about it. There has been some goodwill about this on the other side by certain members (and they know who I am talking about) but, again, we have not taken away this impost on business in South Australia.

Government waste has increased, which includes over \$200 million spent on consultants and contractors each year. Remember that they were going to reduce that. That is actually three Barossa hospitals. Over \$70 million has been spent on advertising each year and approximately \$25 million spent on government travel each year.

The bridge painting—nobody questioned the cost. I know people laugh about this bridge painting and, yes, you did not think I would do it, but it happened. Call it a gimmick or call it what you like, but it was not designed to be a gimmick. I will not go through how or why it happened because I do not want to upset anybody. What happened?

An honourable member: You saved taxpayers money.

Mr VENNING: Okay, the bridge was painted, but the big issue is that nobody questioned the \$630 million it was going to cost, which was absolutely patently ridiculous. I painted it for \$2,000, as you know. Go and have a look. It looks beautiful. I actually have not finished. I have been asked to do the rails on either side.

An honourable member: No, you haven't.

Mr VENNING: I have.

Mr Whetstone: \$630 million?

Mr VENNING: No, \$630,000, sorry. I correct the record. That is what the price was to paint the bridge. Nobody questioned that, and who should? Who put the figure on it? Was it some crazy government contractor or a bureaucrat? Who put the price on that? It was really over the top and this is why you wonder, when you put a price on something like the new hospital, who was checking on that? Did that get scrutiny? How many Rolls Royces do you have built into that that you do not need? This is just an indication of really why the story had legs in every paper in Australia except *The Advertiser*. I did not send out a single press release. It just grew like Topsy. It just went, thanks to the ABC.

Mr Pederick: How about the radio coverage in Sydney?

Mr VENNING: Yes, it was on two nights on the drive show on 2UE. Two nights in a row they put out this story about this South Australian MP who for four years pushed to get their bridge painted and they would not do it so he did it himself. It is a good story, but the problem is that I am just amazed that the government did not question the price. I did push minister Conlon for probably nearly three years on this issue, so in frustration, when somebody from over there said, 'We're sick of hearing about this—you paint it,' I did.

Who in this government has the business experience? I was a bit concerned to hear the Minister for Finance a while ago. Who in this government has business experience? I believe he is the one with the greatest experience on the other side—the Minister for Finance and the Minister

for Correctional Services—and he was right when he courageously said some time ago that we should not be borrowing money to pay Public Service wages.

Dead right, and he said it and I think he got into a little bit of trouble for saying it. In fact, he might even have been demoted, but good on him. But then he comes out tonight and makes a speech about good debt being the way to go. There is good debt and bad debt—we have heard that one before, haven't we? There is good debt and bad debt—and just think about the State Bank. Just think about that and have a good look at what happened.

There are two sides to that whole thing—good debt and bad debt—and that is what I think the minister was forgetting. You have to be able to pay your bills. It is all very well to borrow money; it is great to buy assets when you need them, when you get good value. Now is not the time to do that because we do not have the contractors here to give us a competitive price. You really are at their behest. You really get ripped off, I believe. And this \$40 million footbridge—my God!

An honourable member: Ridiculous!

Mr VENNING: Absolutely. A voice from the deep, who shall remain nameless but, Madam, you are dead right.

The DEPUTY SPEAKER: And who is out of order, as well.

Mr VENNING: Thank you. Seven and a half million would have built a bridge that would have done the job quite well—7.5, not 40. It would not have had the bells and whistles, but it would have been adequate and, when you are broke, it would be quite okay to spend that sort of money. Many on this side have business experience, but just compare this government's administration of our state finances with a normal household budget. You pay off your mortgages; you do not just keep spending.

There has been some discussion here today particularly from the member for Heysen who talked about how we run our household budgets ourselves and you have to watch it and you have to pay back your mortgages. You hope to have a few dollars left over every year to kick the mortgage and eventually you get rid of the mortgage, but not this government—they just keep on going. Every Labor member will be pressed on this at the next election and I just hope that they had input into these decisions because they can certainly wear the kick.

Also, on the cuts to primary industry, the Governor in his speech opening this parliament said that the government would give a priority to clean, green food. What hypocrisy! Yet another cut from \$89 million down to \$77 million, and this at a time when we really need very good independent, professional advice. We are all talking about food security and we are always concerned about overseas interests coming and buying our capacity to grow the food and what do you do? You cut the budget again.

Yes, Mr Deputy Speaker, this is my last budget and I certainly hope it is the government's last. Country people have paid a huge price over the last 12 years under this Labor government. Thirty per cent of South Australians live outside the city. You would not believe that when you look at this budget. I call them the forgotten one-third.

My electorate of Schubert totally missed out; it got nothing in this budget. There is no new Barossa hospital, no new dialysis service and no roadworks, and I do publicly apologise to them because there is nothing in it for them apart from the two new ferries. We do not know where they are going, but hopefully one could go to my electorate in Mannum. No doubt there are three more to build, and the Liberal government would probably build them.

I congratulate my leader on his speech in reply today. I have the utmost confidence in the team we have to address this crisis. I think the speeches today were some of the best I have heard in this place. They were fired up and full of merit, particularly those from leader Marshall, who is certainly the person for the moment, our shadow treasurer Iain Evans, the shadow minister for development Martin Hamilton-Smith and the member for Goyder, Steven Griffiths—they all have lots of business experience.

Even though I will leave this place in nine months' time, I have every confidence that with these four people on the front bench we are in very good hands to rein this in. It is not too late—or not quite. I am hopeful that within four years—we will not be out of this mess in the first four years but we will certainly turn it around. We just have to be careful what we spend. We all have to be a little less greedy and say to our constituents, 'I'm sorry we can't afford that.'

I know that the first Liberal government will not build a new Barossa hospital but all I can say is that I hope that they will have started it so that people in the Barossa know something will be there. This ends my last reply to the budget. I just hope that there is a miracle (and I believe in miracles) and something will happen and we can get out of this malaise very quickly. All I can say is that I certainly support the Liberal Party and that we are very much concerned about the budget.

Dr McFETRIDGE (Morphett) (21:26): It was interesting to listen to the Minister for Finance talk about Reinhart and Rogoff and the 90 per cent rule they had been postulating and espousing, and then to see that a computer glitch stuffed it all up for them—and that is not putting it too finely. However, there are economists out there who still espouse a similar line, that the bigger the debt the more impact it has on the growth of the economy—and they use Italy and Greece as examples.

As the member for Schubert said, in his 23rd budget speech—and I congratulate him on his last speech—there is good debt and bad debt. To say that all debt is bad debt is completely wrong. When you listen to people in this place who have run businesses and had overdrafts to manage and managed those overdrafts, you should take notice. There are similarities between managing the state budget and managing a household budget but there is even more of a similarity in managing a business budget and the state budget.

I remember when my wife and I first came back to South Australia from Western Australia in 1984. We started a veterinary practice and we were paying 17 per cent on the mortgage and 23 per cent on the overdraft. People complain about interest rates now but you try paying 17 per cent on your mortgage and 23 per cent on your overdraft—you have to make sure that your budget is working. You have to be working very hard yourself to balance that budget and make sure that you are not borrowing to pay recurrent expenditure and you are not putting everything on a credit card and you are not putting everything on the never-never, because your children and your grandchildren cannot pay it off.

However, that seems to be what is going to happen with a lot of budgets around the world and a lot of economies around the world—and in South Australia we have a very large state debt. Who is going to pay it off? It is not going to be the current generation, it is going to be my children and my grandchildren who are going to be paying this debt off. It is a shame that after the four, five or six years of prosperity that we saw in Australia with high revenues coming in, to see this state ending up in this situation.

Listening to the Minister for Finance talking tonight it seems a complete contrast to what he said in 2010 at the Lakes Resort, Lakes Terrace in Mount Gambier, when he was talking to the community about the forward sale of the forests. Minister O'Brien—'honest Michael O'Brien' as he gets called—told the meeting:

...essentially the credit rating agencies are quite happy with the way that we are bringing the budget back, ultimately, into surplus.

That was three years ago, and how things have changed. I wonder if the minister would say that now. This was the state of the state as it was then, and I don't see a lot of difference now. This is what the minister said:

...we are effectively operating on an overdraft-style operation. We are actually having to borrow to pay wages. Now that is unsustainable...

This is from Media Monitors transcripts of Matthew Abraham on the morning program. The minister, Michael O'Brien, continued on to say:

...now we're in a position as a government, if we were being financed by the banks, they would pull the overdraft on us, because we're currently, year on year, operating in the red and that is borrowing. Now the worst thing you can do is basically borrow to pay our wages. Now we've got to haul ourselves out of this situation really, really quickly. We have got to get our longer-term debt—what we're dealing with is short-term debt—stuff like that that they are saying we have got to get our longer debt under control...

That is what the minister was saying back in 2010. We seem to have a different attitude to the debt now. The fact that we have got a recurrent debt that minister O'Brien was saying at that stage was being used to pay wages is a very serious concern for all of us in this state.

I know that the Minister for Transport in his contribution made good political points that he thinks are worthwhile espousing in this place. I know his family has a background in small business down in my electorate and I guarantee that his parents—his mum and dad—would know how hard it is to run a business and the hours you put in and how you have to balance your budget and your

books and you have to make sure that your income is greater than your expenditure and you cannot borrow to pay your wages; it just does not work.

So, we do have that experience on both sides of this place, but unfortunately that experience does not seem to be driving the Premier, who is our Treasurer also, to make sure that the state of the state is where it should be. This is my eleventh budget. In my very first budget I said that meteorologists were put on this earth to make economists look good. I had to do penance at the bureau and apologise to meteorologists for having said that then.

I am certainly not implying it now, but what we are seeing now is economists who have given all sorts of predictions for all sorts of outcomes for the way countries are managing their debt. What we are seeing here in South Australia is a variation on that theme with the Minister for Finance saying now that, even though a debt of 90 per cent of gross state product has been seen to be a crisis point, that is not something that we should be actually getting too worried about.

Well, I would certainly be worrying about it if we are getting to that stage and what I want to make sure is that this state does not get to that stage by working on good policies that will be revealed in due time. We will make sure that the people of South Australia are able to see where the Liberal Party wants to take this state, though the leader today did talk about some of the things he wants to do.

He wants to be able to make small business and family businesses thrive and survive in South Australia. He wants government to get out of their way. He wants small businesses to do the job required of them and that is to build the business and build the economy. When I borrowed on my overdraft, when I borrowed with mortgages—we had huge mortgages sometimes—you just bit off a big chunk and you chewed like hell.

You get a sore jaw from chewing like hell on these mortgages, but you make it work and that is what small businesses in South Australia want to do if we get out of their way, if we reduce the burdens on them, if we reduce their WorkCover, their power bills, their utility bills, if we reduce all the red tape, the hours they spend on accreditations and duplication of accreditation in some cases.

We need to have quality control, obviously, but when you are having to duplicate information for government services it is a real issue. There is a need to make sure that businesses are able to do what they want to do. I know the Minister for Finance with his broad experience of business will know that that is the right thing in South Australia. I do not see it coming from this government though.

I do not see any direction from this government towards assisting small business do what they want to do, and that is employ people, build their businesses and bring the prosperity back to South Australia—prosperity that South Australians deserve. We have seen this government time after time after time raising expectations and failing to deliver. The classic example was last year's budget.

The opening line was all about Roxby Downs. It was going to be the El Dorado, and what has happened? It is a fizzer. It is going to be a good thing to have in the metaphorical mining bank for us, but certainly it is not going to be the El Dorado that the former premier and last year's treasurer was saying it was going to be. We need to make sure that South Australians are able to get what they need.

We know what they want, we know what they would like, but we need to make sure they get what they need, and that is cheaper power prices and cheaper water prices. We need to make sure that they can have an economy that is going to allow them to raise their families and enjoy the lifestyle that this state can afford them. It really is the best state in this nation and it will always be if we make sure South Australians have a government that will deliver what they deserve, namely, good government. We are not seeing that under this government; after 11 years we have seen a significantly high debt and deficit that, as I said, our grandchildren will have to manage.

Let us look at the figures in this budget. The total appropriation is about \$12.25 billion, which is for South Australia a lot of money. When you look at budgets in the past they were \$4 billion or \$5 billion, but it is \$12.25 billion in the Appropriation Bill we are discussing tonight. The Department for Communities and Social Inclusion is about \$1.2 billion and the Department of Health and Ageing is almost \$3 billion. They are significant percentages of the total appropriation that we are considering with this bill.

The problem is that we have all that money that has come in and is being appropriated to these various departments (and they are two departments I am dealing with in my shadow portfolios), but you have that shadow in the background and the economic storm—the thunder is sounding and you can just about see the lightning flashes on the horizon. The economic storm is brewing. We have to make sure that we take cover and that South Australians survive that storm. When you look at the budget figures it will be one hell of a storm for us to survive.

It is really disheartening to see the state budget deficit of \$1,314 million and a debt approaching \$14,000 million in the 2013 budget; it is a figure that none of us would ever have expected four, five or six years ago. We were promised that it would not happen, we were promised that we would be in surplus, but it has not happened. Labor budgets have been in deficit for six of the last seven years.

Labor accused us of selling ETSA. I have a 1993 election poster in my office 'Never again'. It has some terrific quotes from *The Advertiser* at that time and it talks about the issues we are facing in this state. Even the former auditor-general in his reports said that the long-term lease of ETSA was a necessary thing. Privately I have been told for a fact that members on the other side—some of them retired now—actually agreed with the move to long lease ETSA because they knew it would reduce the debt.

The auditor-general said in his report that it was the best thing that could have been done to help reduce the debt. We were paying these Belgian dentists about \$2.5 million a day in interest; I think we are paying about \$2.6 million a day currently and it will go to about \$3 million a day in interest, to who I do not know—not the Belgian dentists, but it is going off to some other bankers somewhere else. It is a terrific amount of money to be paying out day after day. That money could be used for so many things and South Australians are missing out.

The government accused us of selling ETSA and of doing the wrong thing, but what has it done? It has sold the forward rotation of the forests, sold off the licences of the Lotteries Commission, and it has sucked \$100 million out of the Motor Accident Commission. They are looking in every drawer and up every hollow log to try to find a bit more money to save themselves from another downgrade of the credit rating.

Let us not forget who lost the AAA credit rating. It was this government, and we are going down and down with our credit rating. It is completely unacceptable after the opportunities we have had, but unfortunately because of the mismanagement of the budget its a very sad picture.

People talk about the deficit not being as high as this or that. I am relying on some of the economists who have given us information here, and they look at three different measures of deficit: the net lending deficit is \$1.45 billion; the cash deficit is \$1.3 billion; and the net operating deficit is \$911 million. So on all three measures we are in serious deficit.

Year after year I remember reading the auditor-general's report where he had warned and foreseen the issues that were coming for this government because they have been overspending. The auditor-general warned them about overspending. I will quote from the auditor-general's report in 2005-06, when the budget was overspent by \$370 million:

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

In his next report, the then auditor-general said:

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

In the third (the trifecta) budget report the auditor-general said that:

The state has received large amounts of unbudgeted revenues that enable net operating surpluses.

Unbudgeted revenues. You cannot rely on winning the lottery. You cannot go and get the scratchie and think, 'Oh, I've won \$50,000, so we can factor that in year after year because we will buy some more scratchies.' You cannot do that. You cannot rely on luck alone. It has to be good management. It has to be a solid base that you are going to do your financial management on. We have seen that in South Australia's case that has not been given to us.

Labor has locked itself into spending and now South Australians are locked into spending. Whether it is the hospital, whether it is the stadium, whether it is other infrastructure, we are getting some big builds in South Australia but what is the cost and what is the benefit? I went and had a look at the \$800 million superway. As an engineering project it is fantastic. Whether it needs to be

as big and as strong I do not know, I am not an engineer, but it looks amazing, but where is it going from and where is it going to? What is it solving?

At the moment it is going from the Port River Expressway, and if you want to put the new northern connector in there you have to spend, I think, another billion dollars. It then goes down to the traffic lights at Regency Road and then it stops. It will be years away before anything else is done with the whole length of South Road. We want it to happen. It needs to happen, and yet we are seeing delay after delay, but we have a superway on the way.

I was talking about the costs on business before. When I had industrial relations in this place we went through a change to the legislation to try to improve WorkCover. I know there were members on the Labor Party side, the government side, who were very concerned about the legislation that was being put in place. I certainly put the argument up that you did not need to reduce benefits to workers to produce a good outcome for all South Australians, not just the workers but also the employers and the state scheme.

What we have seen in 2001-02 is an unfunded liability of, I think, \$51 million or \$61 million, but now we are seeing an unfunded liability of \$1.4 billion. People are saying, 'Well, that doesn't have to be all paid out at once.' The liability is there. You do have to pay it out. You do have to manage the whole system so that if there is a surge in claims you are able to pay it out. It is an unfunded liability.

To get to the stage of \$1.4 billion from \$61 million is something I cannot fathom. You talk to people in the private work cover insurance, the big companies that self-insure, and they are doing a much better job than the state scheme. We need to make sure that the state scheme is not imposing undue burdens on our businesses. We know it is now because WorkCover premiums are twice what they are in other states.

Payroll tax is up 42 per cent on what it was in 2001-02. Stamp duty is up 39 per cent, and this is after CPI. Land tax is up 203 per cent and other property taxes are up 17 per cent. Tax on insurance is up 48 per cent. Tax on motor vehicles is up 26 per cent, and that is after CPI. So, South Australians are really suffering under this government. They have suffered 11 hard years of Labor.

We cannot afford to continue on this way. I just hope that when the federal election is out of the way and there is an Abbott Liberal government in Canberra the state of the nation will be improved. We will see where the federal government is going to take this nation and we will be able to fit in and lock step with them as a state Liberal government to make sure that this state gets everything it deserves, everything it needs and everything it wants.

What we do need to make sure of is that the people of South Australia are not blinded by the political spin of the other side and the, 'She'll be right, mate', the raising of expectations and then failing to deliver. We cannot allow that to happen. As a Liberal opposition we will be making sure that we do everything possible to come out with a position that is very clear and very understandable. We are not going to put it out there early.

Congratulations to the member for Schubert on the drug driving legislation that he has been pushing year after year, because today the police announced that 10,000 drivers had been tested for drug driving since testing began seven years ago. The member for Schubert is, if nothing else, persistent about getting his good ideas up through this place, whether it is painting a bridge or whether, in this case, it is something that I think is absolutely fantastic for road safety in South Australia, and that is drug drivers being tested.

I was very alarmed, though, to see that 4,262 drivers tested positive for methylamphetamine, 2,537 tested positive to THC or cannabis, there were 93 positives for ecstasy, and 3,140 positives to a combination of more than one drug. How people can do that I do not know. Had this government listened to people like the member for Schubert the drug driving legislation would have been in a lot earlier and possibly more lives would have been saved than are being saved by the good action of our police doing this testing on the roads, and I congratulate them on that.

Regarding the budget, there will be a lot more to come in the estimates process. I think the estimates process is a lot of work for a questionable return, when you see the way the Dorothy Dixers are put up, the way that the time is used up by the government. I hope that will not be the case this time; I hope the opposition will be given the opportunity to really question the ministers on what is in their budget. If this budget is as good as they say it is, give us the opportunity to question

it. Let us have the committee process, work like the committees here, let us talk about every detail in the budget.

Time expired.

Debate adjourned on motion of Hon. M.F. O'Brien.

WATER EFFICIENCY LABELLING AND STANDARDS (SOUTH AUSTRALIA) BILL

Received from the Legislative Council and read a first time.

At 21:47 the house adjourned until Wednesday 19 June 2013 at 11:00.