

HOUSE OF ASSEMBLY

Wednesday 30 April 2008

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

LEGAL PROFESSION BILL

The Hon. M.J. ATKINSON (Croydon—Attorney-General, Minister for Justice, Minister for Multicultural Affairs) (11:01): I move:

That the sitting of the house be continued during the conference with the Legislative Council on the bill.

Motion carried.

PUBLIC WORKS COMMITTEE: PLAYFORD NORTH URBAN RENEWAL PROJECT

Ms CICCARELLO (Norwood) (11:02): I move:

That the 287th report of the committee, on Playford North Urban Renewal Project, be noted.

In March 2007, cabinet approved a proposal to provide 814 new or upgraded dwellings for public rental housing across the Peachey Belt and in the adjacent greenfields area. This involved a net expenditure of \$50.1 million over 10 to 15 years. The proposal included the redevelopment or renovation of all Housing Trust housing within the project area, and the purchase of land and construction of 428 new dwellings for high-need customers within the greenfield areas.

The Land Management Corporation was nominated as project manager and lead land developer. This project will create 708 dwelling sites—605 for sale and 103 sites retained for building new high-need housing. After the development, there will be 386 Housing Trust owned dwellings within the Peachey Belt suburbs of Smithfield Plains and Davoren Park. The 428 high-need housing sites will be purchased from the Land Management Corporation by the South Australian Housing Trust at a cost of \$28,943,878 together with the 103 dwellings within the Peachey Belt at a total estimated construction cost of \$60,534,000.

The future construction phase of the project will generate revenue of \$102,949,750 (including GST) and expend \$149,028,636 (including GST). A further \$4,080,000 has been expended in prior years, resulting in whole of construction costs of \$153,108,636.

The project will include the relocation of 766 tenants, the demolition of 440 of the existing 1,049 South Australian Housing Trust owned dwellings and renovation of the balance of 609 dwellings. The Playford North project is closely aligned to key South Australian Strategic Plan targets, which aim to increase affordable housing in the community and halve the number of South Australians experiencing housing stress within 10 years.

Financial analysis shows a deficit of \$46,078,886 (including GST) and \$4,080,000 in expenditure used to purchase housing stock required within the project. A 6 per cent discount rate for these cash flows results in a net present value deficit of \$39,355,081. This deficit does not include the value of the retained assets from 2006 to 2018 financial years, although 46 per cent of houses and allotments are being retained for high-need housing instead of being sold to the market. When these assets are taken into account, the net present value becomes a positive \$86,833,200, indicating that the project is financially viable.

It is anticipated that the upgrading of existing dwellings and the re-subdivision of vacant land will commence on site in early 2008. The expected project duration is 10 years in the Peachey Belt and 15 years for full development of greenfield sites. This assumes an average rate of development of 60 to 80 lots per annum. Sales of dwellings and lots will commence in late 2008 with the construction of new public and private homes in early 2009. The first new residents will be accommodated in late 2009 or early 2010.

In addition to contributing to affordable and high-need housing, the project will provide an opportunity for urban and community renewal, integrated human services delivery, improved student retention rates and education outcomes and enhanced skill development and employment outcomes. Over the life of the project the community and the new residents will have access to improved housing, public transport, health and community facilities and new schools and enhanced employment and training opportunities.

Urban design guidelines will be prepared and applied to new development to encourage the creation of attractive high quality residential development. They will encourage excellence in

urban development, energy efficiency and water conservation and will also protect the rights of individual residents with respect to adjacent development. Housing SA will administer these guidelines for all new housing on South Australian Housing Trust land within the Peachey Belt.

Based upon the evidence presented to it and pursuant to section 12C of the Parliamentary Committees Act 1991, the Public Works Committee recommends the proposed public work.

Mr PISONI (Unley) (11:07): This is an exciting project and I think it is important to note that there needs to be more of this type of work done, particularly in the northern suburbs. There was a very interesting story in the *Sunday Mail* on the weekend. Jimmy Barnes was a—

Mr Pengilly interjecting:

Mr PISONI: Yes, he did. As the member for Finniss said, he 'stuck it up the government' and pointed out that the northern suburbs really do need rejuvenation. They have lost the sense of community that they had when he grew up in the area. I too grew up in the northern suburbs, so I speak with some authority on this matter. It is good to see some money being spent there, but I think it is also important that we have these homes available for owner-occupiers. I think we all agree that one way to enhance a community is to have people making a commitment to that community by buying, living in and improving their own home.

I am a little disappointed that the LMC has a charter of maximising its profits and competing with the private sector. As someone who has come from the private sector, I am not sure that the government's role is to be actually maximising profits and competing with the private sector. If the private sector can do it, then the private sector should be left to do it, but in this instance where the government has an opportunity to increase home ownership among first-home owners, for example, it has the ability—because it owns this project and is running it—to tweak things, if you like, so that we can encourage more owner/occupiers to buy their own home, get off the rental roundabout and actually get in there and be part of the community for the longer term.

Of course, in this state we do have very high levels of stamp duty for first home owners in particular and although many of these homes would be described as affordable housing, there is still a substantial stamp duty penalty that these people have to pay. Consequently, we do have a situation where there is a 30-day period in which people who are looking for affordable housing are notified of the houses that are available. However, 30 days is not a long period in which to make a decision about the largest purchase in one's life, and that is probably something I would like to see reviewed to give those who are waiting to buy their own home an opportunity to buy it themselves. A period of 30 days is not long enough to organise yourself to do that. However, that is the way the government is operating, and we are told that the charter is to make money on these enterprises, so many of these homes are being sold to investors and will continue to be rental homes. That is disappointing, as I am a strong supporter of home ownership and I am disappointed that over the years it has become harder for our young people to get a start in the real estate market and establish their own home.

In the presentation we were told that the new development is to the west of the rail line. It is good to see that the rail line is a focal point. There is up to a 20-minute walk from some of the blocks to the rail line. It is important that we encourage people to use public transport, because anybody who drives on the roads will know there is a substantial increase in road use. Some could argue that the more people we can get on public transport, particularly from farther out, the better. If people who need to come into town or part-way into town can do so by travelling on the train, it is more efficient and much cheaper for them to do that than travelling in their own car.

It is important that we have developments on public transport corridors and trains are an efficient way to achieve that. We also need to ensure that there is a reliable bus service into shopping precincts, as well as making sure that the streetscape is dealt with. I understand that a deal has been done with the Playford council to provide a streetscape, but I would like to see a tree in front of everybody's house. Where I live in Hyde Park—

Mr Pengilly: No water to water them.

Mr PISONI: Watering is a difficult one, as the member for Finniss points out. However, trees need to be chosen appropriately, and I ask council to consider the way trees look as well as how suitable they are for the area, as it is important to have attractive street trees. There were some areas in Goodwood in my electorate where there was an experimental period in the 1970s, involving the planting of all sorts of native trees that were not suitable as street trees. Some of those trees are growing at almost 90 degrees to the footpath, which makes it very hard to get shade or park your car, and it detracts from the ambience of the area. However, good

streetscaping and well-maintained footpaths will make this a very attractive place for residents to live.

I certainly support any improvements we can make in the northern suburbs for residents out there. I have an affection for the northern suburbs as that is where I grew up. Porter Street, behind Barnett Street where I grew up, forms the boundary of the Elizabeth and Salisbury councils. For the whole time I lived there the street was not bitumised because there was a dispute as to whose responsibility it was, and in the end Salisbury did its half and we had one lane that was bitumised and the other one that was dirt. It is just a memory I have.

Mr Pengilly interjecting:

Mr PISONI: We had bitumen on ours—we were totally in Salisbury, but for a long time the people behind us had to put up with a partly bitumised and partly dirt road. That situation has now been rectified, and it is time local government bodies realise how important it is to work together for the greater good of the community.

I was disappointed that an opportunity to use a 4.5/three litre, as opposed to a six/three litre, toilet flush was not taken up by the Land Management Corporation in the specifications for this project. That is a constant pattern with projects that have been carried out by Housing SA. It seems to ignore the new technology, flushing away millions of litres of water every year in these new developments.

I will continue to raise this, and I know the member for Hammond will be pleased that I am raising it, because he is a very strong advocate for the preservation of water and fixing the River Murray and I congratulate him on that work. I support the project and I am very pleased to be involved in the process as a member of the Public Works Committee.

The Hon. P.L. WHITE (Taylor) (11:15): I rise briefly in support of this motion and this very worthy project. As a member representing the northern suburbs, I can attest to the need for this project. The renovation, restoration and redevelopment of more than 800 homes will make a huge difference to the area. I have watched the Land Management Corporation during some of its previous projects within my own electorate in the Salisbury North area and parts of Elizabeth and the work that has been done and seen the transformation and the real difference it has made to not only the way a suburb looks and feels but also how people interact within the suburb. I know that, through our deliberations on this project and the information that has been given to us through submissions to the Public Works Committee, a lot of those same factors are being taken into account with this project.

The member for Unley makes some criticism of the involvement of the Land Management Corporation in this endeavour, and I know that his is a view shared by a lot of developers around town and some members on the other side of this house, that is, that profits are there for the private sector and the government should not get involved in these sorts of projects. I disagree. While I have my own arguments at times with the LMC over individual issues, I note that its experience in these sorts of projects is enhancing each development, and a lot of very good outcomes are coming from that and a lot of good planning is being done as a result of its involvement. The relationship it has with councils and the state government is very important in achieving not only the economic outcomes that are desired but also the social outcomes for the local area. So I support the project and look forward to the time when we will see this redeveloped suburb emerge.

Mr PENGILLY (Finniss) (11:18): What I have to say is very much in a similar vein to what other members have said. I have no problem whatsoever with supporting this project that has been brought before the Public Works Committee. I think it is an admirable project. Indeed, as mentioned by the member for Unley, I found the article on the weekend interesting, to say the least. I found the comments of Jimmy Barnes interesting. Clearly, he takes an interest, and always has, in the area where he was brought up, and he quite regularly trots out comments or visits that area, making observations on what has changed and what has not changed.

I find it interesting that people say that nothing is happening in the northern suburbs, given the amount of money that seems to be spent in that area, but in this particular case the 700 new dwelling sites I think will be most advantageous to the northern suburbs of Adelaide. Indeed, if we revisit how that area came to exist, you only have to go back to the good old Liberal government of Thomas Playford. He was the architect of the Housing Trust, and a lot of others things. They called him a benevolent dictator, and I think he did a wonderful job. The northern suburbs would not have been developed to the extent that they have been if Tom Playford did not do what he did so long ago. However, they have been allowed to deteriorate, and it is rather a sad exercise to drive

around and see what has not happened in those areas. I think that this project will certainly add a bit of zest and interest and create a favourable impression once it is finished.

This is a large project and, along with the member for Unley, I am concerned about state government entities getting in there to make profits. I believe it is private business that should be making profits, not state government entities. The government of the day (currently the Rann government, but not for much longer, I hope) has to look at the employment prospects in the northern suburbs. The manufacturing base is slowly winding down. We have just seen the demise of Mitsubishi, and no-one in here wishes to see General Motors go the same way. Indeed, I hope that it is most successful and stays for a long time. However, I am deeply concerned.

On Monday afternoon I went to a well-known hardware chain with my wife. We had a wander around and looked at the enormous number of goods that were available to purchase. What I found absolutely stupefying was that everything is made in China, to the extent that small plastic bags of pebbles of different colours from China are available to be purchased. When we start importing rocks into Australia to sell to Australians, I reckon there is something seriously wrong somewhere. I found it totally ludicrous.

Jobs are the critical factor in making this project successful, and it is incumbent on the government to make sure that jobs are available so that family life can continue and that families have a successful future—and that Jimmy Barnes does not have to come back and pooh-pooh too often and express concerns. Things have changed a lot since Jimmy Barnes was young (and, indeed, me and a few others in this place): it is a different world.

What also concerns me is that, morning after morning on the news, one hears of a car chase or a break-in, or whatever, in the northern suburbs, and the fact that the police have caught up with people of Aboriginal descent. It really worries me that there seems to be this stigma about that kind of thing in that area. I would desperately like to see it change, and I hope that this project will assist in changing it. I know that there are many people with a lot of pride in the northern suburbs, particularly in the Salisbury and Elizabeth areas. I have spoken to people in local government and others who are involved in that area, and they say that they greatly enjoy living there. I hope that, when this project is finished and up and running, it will add to that community and that it will be a good place in which to live.

I wish to pick up once again on the member for Unley's comments about toilet flushing. It is a serious issue. We live in the driest state in the driest continent in the world, and we should not be wasting huge amounts of water by flushing it down the toilet. I believe that it would be perfectly simple to fix that up. While the Premier runs around making all these wonderful announcements about everything we are doing regarding climate, and God knows what else, here we are with a government entity not insisting that we save water through a simple action like that.

We do not have any water, and we do not look like having any additional water for four or five years. We do not know when the drought will finish. However, the Land Management Corporation is not going to save water in the most simple possible way. I think it is totally ridiculous. Members opposite, who have the ear of the government and whose ministers supposedly are in charge of departments, should lay down the law and say, 'You will not do that; you will save water.' It is totally ridiculous.

If they lived in the bush, as some of us do, they would regard water as an absolute basic staple of life. Until the dual-flush toilets were introduced, we had been putting bricks and rocks in toilet cisterns to save water. It is a simple thing to do. It is errant nonsense and stupidity that they are not being required to do that. I support the member for Unley in relation to that. Likewise, with the landscaping. It can be made a most attractive area if the right trees are planted and established, and we use stormwater run-off, aquifers and things such as that to water them, similar to the wonderful way the Salisbury council has invested in water technology and land care.

We should be looking closely at that for this new urban project so that, when it is up and running, it can be a showpiece for the north and, indeed, a showpiece for South Australia. I have great pleasure in supporting the project. I look forward to seeing the updates and I also look forward to its completion. I rest my case.

The Hon. L. STEVENS (Little Para) (11:26): I make my contribution this morning as a citizen of the northern suburbs, the City of Playford, for the past 30 years. I have lived and worked there, and I have brought up my kids and now my grandchildren in that area. I listened with interest to some of the comments that have been made and some of the expressions used by both my colleagues opposite. I want to take issue with some of them. The member for Finniss, I think, used

the term that it was a 'sad exercise' when you looked at what has not happened in the northern suburbs of Adelaide. It is really important that I mention some of the things that have happened in the northern suburbs of Adelaide.

We have the Golden Grove development. At one stage, I think Golden Grove was cited as the best address in the world. We have the Mawson Lakes development, again another Delfin development, but using the most up-to-date technology in terms of water retention, electronic broadbanding and computer access. The University of South Australia is in that area. We have an innovation science park attracting high-tech businesses. We have the Holden plant, which has been there a long while and which is probably one of Holden's best plants in the world. I was speaking with them over the weekend. They are almost at the point of exporting more than what they are making for the domestic market, so successful is that plant.

We also know that the stormwater work undertaken by Playford, Salisbury and Tea Tree Gully councils leads the world in terms of developing this new technology and harvesting water from stormwater, pumping it back into the aquifer and then reusing it in terms of being able to water the trees—and that will happen in the Playford North redevelopment—and providing water in a whole lot of areas. I know that Salisbury council is selling back water that it is reharvesting to businesses in the area. They are right out in front in terms of those things. The government has put multimillions of dollars into health, for instance, the Lyell McEwin Health Service—it would be up to \$130 or \$140 million over the past year, and another 200 or so to come—and our education sector, with the new schools and, of course, the Playford North redevelopment will benefit from some of those.

The Hon. P.L. White interjecting:

The Hon. L. STEVENS: Of course, the member for Playford reminds me of the new battalion which will be moving into the area, bringing another 5,000 people into the area—more housing, jobs, industry, all linked together.

The Northern Expressway is a major transport corridor, and we know that development follows transport corridors (including rail) and very big freeway-type arrangements, such as the Northern Expressway. I saw the comment made by Jimmy Barnes, and I thought it was a bit of a yawn. Jimmy has said these things before. Jimmy comes back and says these things about his past. Fair enough, that was 40 years ago, but then he whizzes off again. It would be really good if Jimmy Barnes put his money where his mouth is, and if he really thinks these things he should get involved. I noticed that His Excellency the Governor made the same comment. If Jimmy Barnes really thinks this and really wants to do something, then rather than coming here and writing open letters to the media and then disappearing, he might say, 'Right, I'll put some money in. I'll form a foundation,' otherwise I think he should put up or shut up. That is how I feel about Jimmy Barnes.

A meeting was held in the area on Monday night and many people felt exactly the same—people who knew Jimmy Barnes in earlier days. A few eyebrows were raised about a certain amount of hypocrisy in those comments. However, that is enough about Jimmy Barnes. I am sure that he will blow in and say the same things again, and it is a bit of a pity that he does not do something about it. In terms of the specific development, obviously, I support it greatly. I have mentioned the two Delfin developments, and the member for Taylor mentioned the development in Salisbury North. Again, this is another project developing from a greenfield site. We have a joined-up approach between the LMC, the Department for Families and Communities and the Playford council, understanding that we are developing a place for people to live, work and play.

I do not mean to pinch Delfin's motto but, essentially, that is what the development is looking at doing. It will cover the whole of people's lives—their houses, their learning, living and working in a coordinated way in a community. It is obviously the way we need to go in the future to attract people to come to a community, particularly communities that are on the outskirts of cities. They need transport corridors but they need access to all the services. I am pleased that this has happened. I am aware of consultations that are occurring between different service sectors about how all these things will be put together.

Just last week I had the opportunity to visit a new urban development in Victoria, Caroline Springs, which is a new community about 40 kilometres out of Melbourne on the Western Highway to Ballarat where there is enormous growth. This is another Delfin development but, again, it was good to see a joined-up approach, very much like our Mawson Lakes development and the Varsity Lakes development on the Gold Coast. Caroline Springs has an emphasis on understanding all the needs of the people in a community and working in a coordinated, joined-up way to get the best

bang for the buck and the best outcome in terms of the provision of services and lifestyle for the residents of the future.

I would like to mention affordable housing, which is a very big issue everywhere and becoming more so right across the country. My officers reported to me that yesterday they attended a briefing by Housing SA in Elizabeth for people and services in the northern suburbs in relation to affordable housing. They told me some of the statistics and information that was given to them in terms of people in need—people who are homeless, people who are living in cars and not able to afford the private rents. They are the things we have always heard but there is just more of it. I note that we will have more than 800 homes in this new area, but it is an issue on which we will have to focus very seriously in the coming year.

It is pleasing that the Rudd government has shown by its early actions that it is a priority, because we will find a significant underclass of people right across our country unless we do something about providing affordable housing.

Ms BREUER (Giles) (11:36): I will speak only briefly, but I want to say that I am very pleased about this development. Certainly, the community out there will benefit greatly, as we did in Whyalla when Housing SA developed an area called Myall Park. I want to take this opportunity to congratulate Housing SA, particularly the manager in our area, Irene Adair, on the foresight and work that went into that area.

It was a much degraded area; a typical old Housing Trust area in Whyalla. At the time, we had something like 400 empty Housing Trust homes in Whyalla, and Irene and I got together and formed a committee to look at these issues. We were able to persuade the then Housing Trust board to invest some money into the area, and the change has been magnificent.

There have been quite a number of demolitions and new housing built in those areas. The houses that were there have been upgraded and parks have been incorporated into the area. This has transformed the area magnificently, and we are very, very proud of it. I drove through there the other day and building is still going on. The area looks completely different from how it looked four or five years ago. So, my congratulations to Housing SA, and I hope something similar happens in this particular area.

The development at Myall Park in Whyalla actually preceded the housing boom we are all hearing about in Whyalla. I am not sure whether the housing boom is related to the Myall Park development; I think it is more related to the prospect of the expansion of the mining industry. I am certainly not complaining about the housing boom in Whyalla—it is incredible how many houses are being built—however, I do have some concerns about the developments that are going on.

I hope this development will be sustainable and that it will be required. One of the things that particularly bothers me about it is that country areas seem to be moving towards the smaller blocks you see in the Adelaide area. Traditionally, in country areas we like a backyard the size of half a football oval, and we become very nervous when it is any smaller than that. In these new developments, not just in Whyalla but in other areas as well, the blocks are very much smaller.

I know there is a move to try to increase housing density, certainly in metropolitan Adelaide, where it is probably required, but I do not think we need to be so concerned about it in country areas. What does concern me is that we have these very small blocks, with houses being built very, very close together with no backyards and no front yards, in most cases.

I wonder where the children play. I do not think there has been forethought, particularly in country areas, put into the issue of open space areas where children can play. While it is great for children to be able to go to open space areas, certainly when my children were small, I felt much more secure about them playing in the backyard than in an open space area where I would be required to sit and watch them—and I have the dents on the fences and the garage, where they played cricket or whatever else children play at that age, to prove it. The lifestyle I have, along with most everyone else, does not allow time for sitting around watching my children all day, every day.

So, I do have concerns about this development that is going on and the size of the blocks, etc. Individual councils seem to be allowing this to happen. In the Whyalla area, where there has been a huge expansion in housing, houses are selling at the moment, but I do have concerns about who are buying the houses. I really have a fear that a lot of these houses are being sold to outside developers.

I hope that Whyalla continues to go ahead. We are certainly looking much more prosperous than we did four or five years ago, and we are very happy about that situation. We do

expect our community to go ahead, but I am concerned that, with the number of houses being built, in another four or five years I might have to form another housing committee or forum with Irene Adair to look at all the vacant private real estate housing in Whyalla, because already there are 'for sale' signs going up everywhere.

People are upgrading, but the problem is that, in doing so, they are buying houses on the provision that they sell their own—and they are not able to do so. I do not know whether this is happening in some of the other areas. I am sure that it is not happening in the Copper Triangle area; I am sure they are selling but, certainly, it is happening in my area. The same sort of thing could happen in Port Augusta. I do have concerns about those. I am not sure how much forethought or planning is going into this. I hope that councils are taking these issues into account.

This very concentrated development on very small blocks has nothing to do with concentrating urban areas: I think it has more to do with maxim profits that developers can make. I know of one block of land where there was a double unit Housing Trust home a few years ago. It burnt down, so it was demolished, and there are now five houses on that one block. To me, that is just incredible.

I do not know what safeguards have been introduced. I have concerns where, often, developers promise environmentally friendly housing, maximum environmental standards, etc., and then, often, this does not happen. I do not know what sort of follow-up councils do and what safeguards there to ensure that developers keep their promises.

Another thing that really upsets me at the moment is the building of these kit form Lego shopping centres that seem to be going up everywhere. You get four big concrete walls that go up, and it turns into a shopping centre. They are the most ugly and unattractive things that you have ever seen. Nobody seems to want windows any more. I know that, okay, we will save on power bills if we do not have windows and let in the sun, but whatever we save on that we make up for in providing electric light.

They are just so unattractive, and how they continue to get approval over and over again I do not know. They are usually stuck in the middle of a bitumen car park. You might see a tree if you are lucky—and, often, they are very scrawny looking trees. Perhaps that is native to my area, because we do not get much rain. That does concern me. Someone please design an attractive shopping centre and attractive shops somewhere. I know that there is a now push to build these shops one or two storeys higher, but I do not think that you will be able to do that with your Lego kit. That also concerns me.

An honourable member interjecting:

Ms BREUER: I have just been asked if this is my grumpy day. Perhaps it is. I am letting off steam this morning, but these issues do concern me. I think I had better sit down before I get too angry. I support the motion. I am very pleased that it came up and that I had the opportunity to let off steam.

Ms CICCARELLO (Norwood) (11:42): I thank honourable members for their contribution. This project certainly shows the commitment that the state government has for the development of the northern suburbs. As we have heard from the members on this side of the house, who represent the northern suburbs—the member for Little Para and the member for Taylor, and, indeed, yourself, Mr Speaker—we can be proud of the government expenditure that has gone forth into the northern suburbs to improve economic development and quality of life for people in the area, and to give particularly young people as many opportunities as possible. I commend the report.

Motion carried.

PUBLIC WORKS COMMITTEE: IFOULD APARTMENTS

Ms CICCARELLO (Norwood) (11:44): I move:

That the 288th report of the committee, on Ifould Apartments, be noted.

In December 2003, approval was given for the South Australian Housing Trust to purchase the ex School of Music site at 263-279 Flinders Street. In 2004, the trust was given further approval to divide the site into three parcels. One of these, a smaller development site on Ifould Street, was to be retained whilst the other two lots were to be sold to fund the provision of affordable social housing on the retained site.

To ensure a properly integrated development over the entire site, urban design guidelines were established by the Housing Trust in conjunction with the Adelaide City Council and Heritage SA. An eight-level apartment building with 42 units is to be built on the retained site. It will consist of parking for 11 cars together with a lift entry area at the ground level and seven levels of six apartments per floor.

Significant consultation was undertaken with Heritage SA during the design development process and valuable input provided with respect to issues relating to building mass and selection of materials. Formal support for the final proposal was received from Heritage SA during the planning consent process.

The purpose of this project is to provide affordable social and private housing outcomes through the value-adding process of creating a three-lot land division, and the sale of two of the lots. The surplus generated, together with proceeds from the sale of 36 apartments, will subsidise the retained site and construction cost of six affordable units to be retained by the Housing Trust. Twelve other apartments will be acquired by community housing organisations, and eight of those will be affordable for social rent. A further 24 apartments will be available for sale, and 13 of those will meet the affordability benchmark of below \$250,000 market value.

The Ifould Apartments will improve access to affordable social and private housing outcomes in an inner city location, ideally located with proximity to a broad range of amenities and facilities. They will also encourage a mix of social and private tenures to develop a sense of supporting community. The apartment designs will accommodate a diversity of tenancy groups, including single persons, couples and people with disabilities.

The affordable housing outcomes in the CBD will compare favourably to the Housing Trust metropolitan median price for house and land, which is approximately \$185,000. The benefits of the development will include:

- a reduction in housing stress;
- an increase in the number of quality affordable housing options for people with low support needs;
- accessible housing within the community for those who can independently maintain a desired standard of living whilst requiring some family or agency support in their own homes; and
- housing built to appropriate standards with an environmentally sustainable focus to improve the energy, water and waste management efficiency of social housing.

An amount of \$11.357 million is required to construct the eight-level apartment building. The Housing Trust's six apartments and one car park space will have an average cost of approximately \$172,547 per apartment (compared to an estimated market value of \$238,140). The revenue generated from the project, excluding the prior sale of two land allotments, is \$9.946 million. The whole of construction net cost, including prior-year cash flows, is \$1.035 million.

The proposed sale of 36 apartments on the top six levels of the building, and 10 car parks, will generate \$9.946 million in revenue. This sales revenue forecast has been based on marketing advice which recognises the nature and mix of tenancies. Construction is intended to commence in August 2008 and be completed by August 2009. Based upon the evidence presented to it, and pursuant to section 12C of the Parliamentary Committees Act 1991, the Public Works Committee recommends the proposed public work.

Mr PISONI (Unley) (11:48): I stand in support of the report and in support of the project. Certainly, as a member representing the inner suburbs (the inner suburb in and around Unley, in particular), we have had an enormous amount of stress on our existing properties with subdivisions and urban infill. I understand that it is the policy of this government to continue to urbanly infill our inner suburbs. Minister Weatherill was quoted in the press just this week as saying that urban infill is part of the plan for bringing more people to South Australia and for dealing with the need to expand housing availability and the high cost of housing in South Australia.

I, for one, am concerned about what that is doing to the character of my electorate. It is, in actual fact, quite a distressing factor for many of those in my electorate, who have aspired to live in a lovely stone home with some land around it and a lovely streetscape, that over the last 15 months in Unley we have seen 65 pre-1940 homes be demolished, with developers coming in and subdividing those blocks. It is a concern.

One of the things that excites me about this project is that this is revitalising an area in the city. I think we all acknowledge that the city is very underutilised, particularly the southern end, and the south-west corner of the city is another area where it would be great to see much more housing choice developed for young South Australians and first home buyers.

That is one of the problems that we have in South Australia: we simply do not have choice of housing for our young people and part of the problem with that is that we have very high stamp duty. Young couples get married, and they are planning to have a family but that might be five, six or seven years away because they have decided that they want to pay a big chunk off the mortgage before one of the partners decides to stay home from work for a year or two. Some people like to stay home longer than that. Dr Fraser Mustard will tell you that those first three years are very critical for child-parent contact and the next three years after that for development of the child.

People want to make those choices to have a family later in life and, in the meantime, if we had a friendlier stamp duty regime, we could be encouraging people to buy one or two-bedroom apartments in the city. Having a friendlier stamp duty regime would make that very attractive. I am very interested and keen to see the ideas that will be presented to the Liberal Party's tax forum on 12 May here in this chamber. I know that people are very interested in tax. The Treasurer is not interested in tax; he told us that there is no need to change taxes. He is not interested in changing it, tweaking it or bringing it into the 21st century: he is interested in raising it and spending it. However, we are not bringing it into the 21st century: he made that clear. Then again, Prime Minister Rudd said that we do need some root-to-branch changes in our tax system, particularly state taxes. Of course, Mr Foley is saying that perhaps we do. So, he has gone from making fun of our tax summit to now wishing us luck with it. I thank him for coming around to that line of thought and seeing the light on state taxes.

Property taxes are a very big part of the state taxation collection. As I explained earlier, that has minimised the choice of housing in South Australia. Not only does that affect our first home buyers, but also it affects those people who are living in larger family homes whose children have grown up and left. Hopefully, their children have not left South Australia, although that is still continuing to happen. The people in question are left with a three or four-bedroom home with a study and a family room in the suburbs and they are reluctant to sell because they know that they will be spending \$10,000 to \$30,000 on stamp duty when they sell their family home and move to something smaller, so they are hanging on to their homes longer and that is causing some difficulty.

I am quite excited about this project. I would like to see a good mix of higher density housing in the city and, let's face it, we have a very centralised CBD. Many people come into the city to work, and it would be great if a lot of those people actually lived in the city. Imagine what that would do for reduction of greenhouse gases and dealing with our clogged and antiquated public transport system, not to mention our roads. It would be great to have more people—younger people, in particular—bringing vibrancy into the city square mile.

If you go to Melbourne when the shops are shut after hours, plenty of people are around the place because people are living within or around the CBD of Melbourne, and it makes a big difference to how the city feels. So, this is a very small step, and I would not even say it is a step; this is a shove, if you like, in the right direction to have this development within the square mile.

During the hearing, I established a contrast between the way in which minister Gail Gago is handling the sale of the Glenside property to the adjacent supermarket and the way in which the government handles the sale of property within the Housing Trust. Basically, what Mr Aggiss told us was that public tender is always done, that the way to achieve the best result in the way of profit for the organisation is to do it through public tender. When I asked whether there were situations where they would want to restrict who could actually buy a property because they wanted a particular outcome (whether that be for the community or the area), they said that they did do that occasionally but that they ask for a competitive tender process. So, for example, they invite those who want to develop supermarkets to bid on that particular property.

That is not what is happening at Glenside. What is happening there is that the minister has gone to one developer and said, 'You can buy this for market value.' The market value still has not been established; to this day it has not been established. It is a complete contrast to good practice, to what we are seeing being done with the Housing Trust.

I would like to draw the attention of the house to something else that emerged during the hearing—and this is what is so important about Public Works Committees hearings, you do have an opportunity to drill down and get some details—

An honourable member: When it meets.

Mr PISONI: When it meets, of course; I think it has been five weeks since we last met. However, we have the situation where these apartments were built without air conditioning, because they are relying on natural air flows. I think that is a great idea but, let's face it, this March we had 15 or 16 days over 35° and you will need air conditioning in that sort of situation.

That has not been addressed by the Housing Trust in this instance. We were told in this presentation that it will be up to individual tenants and new owners to put in their own air conditioning. So an opportunity has been lost to put in a consistent, environmentally-friendly, low energy use, clean air conditioning system. It is being left to these people. So, someone might have a split system, someone might put in an evaporative system—it will be a dog's breakfast in the way of air conditioning in this apartment development.

This is very disappointing, and it was very short-sighted of the government to do that. It is much cheaper to put in the air conditioning when you are building than it is to put it in afterwards, and of course you also then have the difficulty of dealing with the strata corporation regarding finding an air conditioning system for each unit with which everyone is happy. There is the potential here for residents to complain to each other about noise levels and about the look and placement of air conditioners, yet this could all have been dealt with in the building process.

I must say that that is disappointing. However, having said that, I understand that perhaps this is a learning exercise, and we would hope that the public works process gives us things upon which we can continue to work.

Time expired.

Ms CICCARELLO (Norwood) (11:57): I thank the member for Unley for his comments; however, I would like to point out that it is interesting that he indicates there should be a choice of housing for people yet at the same time he is objecting to people in his own area having a choice of housing, saying that there has been demolition of housing—

Mr Pisoni interjecting:

The SPEAKER: Order!

Ms CICCARELLO: I presume that the Unley council has its development plan, and that when developments happen they comply with that plan. Lifestyles have changed, and young people do want to have access to different accommodation. You will see that with some of the housing being put in place now. Young people do not even require kitchens in some of the smaller apartments because they like to eat out. So, we have to look at lifestyles, and the composition of families has certainly changed over the years.

I cite my electorate of Norwood as an example. We have had a lot of urban infill, and it certainly has not done anything to the quality of housing in the area, nor to the value of that housing, because some people now say that they would like to live in Norwood. With those comments I would like to commend the report.

Motion carried.

NATIONAL GAS (SOUTH AUSTRALIA) BILL

Adjourned debate on second reading.

(Continued from 9 April 2008. Page 2728.)

Mr WILLIAMS (MacKillop) (12:00): This is a very large and complex piece of legislation, and very technical in its nature. Indeed, it may have significant impact yet, as I stated to the house in I think November last year when debating very similar legislation to institute national electricity regulatory laws, I bemoaned the fact that the government introduced the bill and then demanded that it be debated very shortly thereafter. I think in that circumstance it was probably a week, or maybe two weeks; in this instance it is a similar time frame, just over two weeks. I stated at the time that I thought it was unhelpful to give the opposition and the parliament such a short time to contemplate legislation of this nature before debating it in full.

The minister, as is his wont, took a swipe at me at that stage and suggested that, if I was a shadow of any note, I should have been au fait with the impending legislation and ready to debate it at a moment's notice. It was interesting to note that, in the ensuing debate, particularly in the third reading, every time I asked the minister a question, he had to consult one of his advisers to answer it. So, I do not know that the minister—and I think I commented at the time—was as au fait with the legislation as he intimated that I should have been.

I repeat: I think it is unhelpful for legislation of this nature to be brought to the house with an expectation that it be debated completely, through all stages, within a couple of weeks. I would suggest that, in fact, other than possibly the minister and myself, probably nobody else in the parliament has read the bill. I would also suggest that, other than the minister and myself, nobody has read the minister's second reading contribution.

As a consequence, I make the point that we are passing legislation notwithstanding its long gestation and notwithstanding an immense amount of work that has been put into the legislation. As a parliament, I think we fail ourselves and our duty to the people of South Australia in passing legislation in this manner without giving it what I would consider due consideration. Having said that, I am sure that the minister will take the opportunity to once again give me a belting for making those comments when he sums up. I am big enough to take that. I am just making the point that this is pretty important legislation.

In fact, I was speaking to a former senior gas person recently who lamented that, in his opinion, the regulatory system which we now have and which is now being instituted nationwide does not necessarily help the consumers, particularly consumers in small markets I, and some of my colleagues, may talk about that as we debate the bill.

I remember a couple of years ago I was in the Riverland, and some people there lamented the fact that a gas pipe goes past that area. I think there are gas services in the town of Berri, which is very close to the very significant towns of both Renmark and Loxton, but neither of those towns has access to a gas supply.

I think that one should question why that is the case and why, when the major gas trunk goes from the Moomba gas line across to Mildura to supply gas to that city, our regulatory scheme has not encouraged investment to supply gas to the nearby towns of Renmark and Loxton, particularly when we are all encouraged to be concerned about greenhouse gas and we understand the benefits of using gas hot water versus electric storage hot water, for example.

The government has brought down a policy (and I think a press release was circulated just this week with some comments from the minister) about the move from electric storage hot water to gas hot water. I question why we do not see the expansion of our gas network to some of those smaller communities when, on the other hand, we are discussing the impact of or the benefits that would accrue from the use of gas more widely.

This may point to the failure of the current regulatory system, and I am not sure whether that is exactly the case, but I am certainly told that the incentives to supply gas to those sorts of communities are not apparent at the moment.

Another community that comes to mind is that of Mount Barker, which is the fastest growing community in South Australia but which does not look like getting access to gas. I think that should be addressed and that we should have a regulatory scheme that would encourage it to happen.

It is interesting to note what has happened in South Australia in regard to the expansion of the gas network and to compare it with what happened in Victoria a few years ago, when the gas transmission and distribution network across Victoria was expanded dramatically to make gas available to a much greater number of Victorians, particularly those in smaller country communities. Having made those comments, I turn my attention to what I have written in my notes.

Since the late 1990s, the Ministerial Council on Energy has been refining the regulation of energy markets across Australia, and of course this occurred as a result of having a national market, which again is the result of trying to build efficiencies into the system and recognising the reality that we have a national electricity grid and a national gas reticulation system that covers everything in South Australia and the eastern states in particular.

We have seen a constant flow of legislation since that period of the late 1990s, and we are now at the point where we are introducing this legislation that will give a national regulatory oversight. South Australia has always been in the position of lead legislator in these matters and,

following the passing of the appropriate legislation—that is, this measure and the national electricity legislation, which was passed last November and which I will refer to from time to time—the other jurisdictions will apply the same law through an application act.

Currently, the lead legislation is the Gas Pipelines Access (South Australia) Act 1997. That act has two schedules: the third party access to natural gas pipelines and the national third party access code for natural gas pipeline systems (the gas code) are known as the gas pipelines access law. This legislation will repeal that law and institute a new national gas law which, as I have said, will be picked up by the other jurisdictions.

The Australian Energy Market Commission, established by the South Australian Energy Market Commission Establishment Act 2004, and the Australian Energy Regulator, established under the commonwealth Trade Practices Act 1974, were last year given powers to regulate and make rules under the national electricity law. Similarly, this bill will confer the same powers on those bodies with regard to gas transmission and distribution.

The genesis of these changes goes back to at least the 2002 Parer Review and the 2004 Productivity Commission Review of the Gas Access Regime. The bill establishes what will be known as the National Gas Law, as set out in schedules to the act. The law, similarly to the national electricity law, will provide a national gas objective. The objective, I am pretty certain, is identical to the objective of the national electricity law. It states:

The objective of this law is to promote efficient investment in and efficient operation and use of natural gas services for the long-term interest of consumers of natural gas with respect to price, quality, safety, reliability and security of supply of natural gas.

The law also provides revenue and pricing principles and, again, if these are not identical I think they are certainly very similar to those in the national electricity law. They are: a regulated network provider should have a reasonable opportunity to recover at least the efficient costs incurred in providing the service; to provide effective incentive to promote economically efficient investment; the regulator has regard to the regulatory asset base adopted in any previous determination; that prices and charges allow for a return commensurate with the regulatory and commercial risks involved; the regulator has regard for the economic costs and risks of the potential for both under and over-investment by a service provider; and the regulator has regard to the economic costs and risks of the potential for both under and over-utilisation of the network.

The Ministerial Council on Energy may issue a statement of policy principles consistent with the objective of the law to guide the Australian Energy Market Commission (AEMC), which is charged with the rule-making function and market development function, both consistent with the objective of the law and the policy principles established by the Ministerial Council on Energy. The rules so made are to regulate access to pipeline services, the provision of pipeline services and the collection and use of information in relation to natural gas services.

The rules and documents, etc., applied, adopted and incorporated by the AEMC must, of course, be made publicly available. The AEMC can be directed to review matters within its purview by the Ministerial Council on Energy or, of its own volition, review the operation and effectiveness of the rules or any matter relating to the rules. The Australian Energy Regulator will monitor compliance with the law, regulations and the rules and will have the power to investigate, institute and conduct proceedings in relation to breaches of any of those. The regulator also has economic regulatory functions under which it can prepare and publish reports on operational and financial performance of service providers for covered pipelines.

The Australian Energy Regulator must exercise its economic regulatory function in a manner consistent with the objective of the law and must take into account the revenue and pricing principles when exercising a discretion in approving or making those parts of an access arrangement relating to a reference tariff, or making an access determination relating to a rate or charge for a pipeline service.

In the performance of its other regulatory functions, it may take into account those principles. Powers are also available to authorised officers to carry out certain functions to obtain information and documents, and the regulator can issue a general regulatory order requiring the provision of information specified in the order by all scheme pipeline service providers of a specified class or, alternatively, a regulatory information notice of similar effect can be applied to a pipeline scheme service provider or a related provider. Such orders must not be served solely for the purpose of investigation of breaches of the law, regulations or rules or for instituting or conducting proceedings in relation to any such breaches.

Notwithstanding that the Trade Practices Act generally requires the regulator to keep information confidential, circumstances are contemplated where the information can be disclosed where any detriment caused is considered to be outweighed by the public benefit. It surprises me that this parliament is not a little more interested in this particular point, because I would have thought that some fairly subjective judgments will be made concerning what information is to be released and what is considered to be a public benefit versus a detriment caused to an operator. That is why I made my opening comments about the speed with which this bill will pass through the parliament relative to its gestation period of some five years.

There are some checks and balances within the bill or the regulations, which give affected parties five business days notice prior to any disclosure and, if the affected party submits that disclosure should not occur, a further disclosure notice must be issued with a further five-day waiting period ensuing. Such decisions are subject to a merits review by the Australian Competition Tribunal.

The natural gas law will only apply economic regulation to covered pipelines (as is the case under the current gas code) where the level of market power is such that the cost of regulation is warranted. The relevant minister, on the recommendation of the National Competition Council, will make that determination.

The bill amalgamates the pipeline classification and coverage process whereby the National Competition Council will make the appropriate recommendations on coverage and classification simultaneously. Any person can make an application to have a pipeline covered or for a covered pipeline to become uncovered, but a new pipeline may also have a greenfields status applied which will give it 15 years exemption from coverage.

As recommended by the Productivity Commission, upfront price regulation via access arrangement does not necessarily apply to all covered pipelines. Service providers operating covered pipelines can apply to be under what will be known as 'light regulation' or 'light regulation services' with the National Competition Council making the determination.

Such a service provider under the light regulation services scenario may submit a limited access arrangement to the Australian energy regulator for approval. This would provide some certainty by applying terms and conditions applicable to the relevant pipeline services but would not apply a price to revenue regulation. The regulator would thereby apply the terms and conditions of the limited access arrangement when resolving an access dispute and rely upon the revenue and pricing principles when arbitrating a price between parties.

Service providers under these conditions will be required to make public the terms and conditions of access and service prices. Incidentally, the ministerial council has determined that the covered pipelines in South Australia, Victoria and Western Australia currently have a market status making them not eligible for light regulation, and they will therefore be listed as designated pipelines in the initial regulations. Those pipelines in South Australia are the Envestra distribution network. The SEA Gas and Moomba pipelines remain transition pipelines and I understand they will be uncovered, acknowledging the natural or the competitive nature of those two systems as opposed to the natural monopoly held by the distribution network.

When assessing the appropriateness of light regulation, as opposed to access arrangements regulation, the National Competition Council must consider the relevant market power of the service provider and users. Light regulation is less costly and should be used where appropriate. Consideration is given to the presence of barriers to mark an entry interdependency between network services and externalities as potential sources of market power. Countervailing market power of users and any potential for substitution by other products is also to be considered. Whilst covered pipeline service providers will have obligations aimed at ensuring open access and a competitive market, including ring fencing of business units and so on, an amount of self-regulation is introduced.

Much of the debate within the industry during the development of this new regime has been over what regulation is prescribed or will be prescribed in the act and what is prescribed by the rules. Industry has argued that more should be in the rules and less in the act, because this allows for modification where necessary by applying to the AENC for a rule change. A process is set out in the act for that to occur, and the industry argues that that builds flexibility.

The process for service providers to submit access arrangements and revisions to the Australian Energy Regulator is set by the rules. As in the national electricity law, a fit-for-purpose decision making framework is used by the regulator in regulatory decision making. This allows for the regulator to exercise discretion and to subject different elements of a proposal to varying tests.

Similarly, the regulator is given powers to arbitrate access disputes and make its determinations binding, consistent with the 1995 competition principles agreement and the commonwealth Trade Practices Act.

The bill also establishes a gas market bulletin board on which covered and uncovered service operators must post real-time capacity. For example, operators must provide a nameplate rating of their plant, three-day capacity outlooks and actual flow data. An emergency page will enable market participants to respond to gas emergencies. It is envisaged that the bulletin board, by providing such information, will enhance gas trade and markets for gas services.

The regulator is able to proceed in a state or territory Supreme Court or Federal Court against breaches of the national gas law, the regulations or the rules. Civil penalties will be applied with graduated penalties (as in the current legislation) being replaced by minimum civil penalties of \$100,000 in the case of a corporation and \$20,000 in the case of a natural person, with a further penalty of \$10,000 in the case of a corporation or \$2,000 in the case of a natural person applying for each day during which the breach continues. The energy regulator can apply for injunctions, and the regulator has the discretion to issue infringement notices for breaches which may be expiated or, alternatively, contested.

Conduct provisions can be prescribed by the law or regulations, giving a person the right to apply to a court for remedy against breaches of such conditions. Judicial review is provided for against decisions of the Australian Energy Market Commission and the bulletin board operator. A limited merits review (the same as in the national electricity law) is available. Such review will be limited in scope and entertained only in the case of a price determination where the amount in question exceeds \$5 million or 2 per cent of the average annual regulated revenue. Once commenced, such cases are subject to intervention by third parties. Again, this is an issue I questioned when we were debating the national electricity law. It may open up such cases to long drawn-out processes.

People with agendas different to the objectives of the act may become embroiled in such cases. The rule change process established under the natural gas law is identical to that under the national electricity law, and the initial rules will be established by a ministerial notice and will largely reflect the current natural gas code provisions. Whilst the bill allows for regulations to be made, unanimous agreement of all Ministerial Council on Energy ministers is required, and part 10 of the Subordinate Legislation Act 1978 does not apply to any regulations made under the bill. To explain: that is that regulations made under the bill will not be disallowable instruments of this parliament.

The opposition will support the bill in its entirety. We appreciate that it has been in its gestation for many years; it is at least five years. It is very similar to the electricity law that we passed I think in November last year. We believe there are no surprises in here. Notwithstanding that, industry had a few concerns. It did not get everything that it wanted. Some at the regulatory end of the system did not get everything they wanted, so I am sure the minister would argue that that suggests we have got it about right. Time will tell the tale on that.

Certainly, as to the regulatory role, I think there are benefits to be had by having a national regulator. The current regulatory process in South Australia means that the regulator has an opportunity to go through a price review from time to time, and it is every five years. In reality and in practice, the regulator would have to do only one price reset every five years, whether it be for electricity or gas—it could get fairly rusty on the processes and it is questionable what efficiencies would ensue from that—as opposed to having a national regulator, which will be basically in the continual process of doing a price reset because of the number of pipelines in this instance and electricity systems in the case of electricity across the nation, or within the national scheme.

The regulator will be in constant motion, so to speak, with regard to doing reviews (price resets) and, as a consequence, I think will be much more attuned to both the job in hand but more particularly to changes in movement within the gas market, on both the supply and demand sides of the market, and hopefully will build in not just efficiencies but maybe overcome some of the issues which, as I highlighted earlier, apparently have prevented the distribution network, certainly in South Australia, from being extended to smaller communities.

I will leave my comments there and indicate that the opposition will be quite happy to move directly to the third reading at the conclusion of the second reading.

Mr PEDERICK (Hammond) (12:28): I rise to make a few comments regarding this bill on the national gas law. I understand that six principles will be included as part of the development framework for the regulation of pipeline services and that they will be part of the arrangement in

making the rules governing the regulation of pipeline services and the Australian energy regulator when approving access arrangements.

We must be absolutely sure in these arrangements that we get the balance right with the regulatory regime while still managing to provide efficient investment opportunities for companies to invest in pipelines throughout the nation to connect people to gas.

The member for MacKillop alluded to six principles, and this is similar to the national electricity law. The first principle is that a regulator network provider should have a reasonable opportunity to recover the efficient cost incurred in providing the service, which is fair enough. Also there needs to be provision for an effective incentive to promote economically efficient investment, and the regulator must have regard to the regulatory asset base adapted in any previous determination.

The fourth principle is that prices and charges should allow for a return commensurate with both the regulatory and commercial risks involved. The fifth principle is that the regulator should have regard to the economic costs and risks of the potential of both under or over-investment by a service provider. The sixth principle is that the regulator must have regard to the economic costs and risks of the potential for both under or over-utilisation of the network.

I will speak briefly about gas production, mainly onshore but also offshore, and the massive investment that has been made in this country over the past 50 years. Onshore production from the Moomba gas fields has been a commercial operation since 1963 and most people are aware that the Cooper Basin, situated about 770 kilometres north of Adelaide, has been a major economic powerhouse and employer in this state. I spent two years of my employment in those gas fields, between 1982 and 1984.

Mr Venning interjecting:

Mr PEDERICK: For the benefit of the member for Schubert, I point out that I operated earthmoving equipment for 12 months, building leases for oil rigs in areas where they could drill for oil and gas, helped build an airstrip and made several roads, operating a twin-power 639 CAT scraper. Then I proceeded—

Mr Venning interjecting:

Mr PEDERICK: I did not do too bad. I worked with a company, Gearhart Australia, which is involved in well testing and fracturing oil wells to release more gas and oil for production. Even back then, I worked on jobs involving a combination of Gearhart and Halliburton which amounted to \$1 million per oil well, so one can imagine how much investment is being made today, 25 years on. I acknowledge the work that goes on in harsh conditions in our Far North. The seismic teams go through and have seismic tracks about a kilometre apart, networking and crisscrossing the country up there, doing the testing to see if a structure is available for oil and gas. Then the rigs go out wildcat drilling and the fields are opened up over time and interconnected with pipeline framework to get all the gas and oil brought into the main centre at Moomba.

Back in the days when I was up there I met many men working for the pipeline organisations who were doing four weeks on and only one week off, and their commitment to their job was noteworthy: they are good men—some hard men, but all hard-working men. With the gas operation we have the trunk connections to Sydney and Adelaide. During my employment in the Cooper Basin (and I was not there at the time but home on leave) the Adelaide pipeline came adrift one night, and apparently men were jumping out of ATCO huts and into Toyotas and heading south in their boxer shorts; they were getting out of there because they were in real strife.

Be that as it may, there are not too many issues like that in the gas industry, which has supplied a lot of economic wealth to this state. The Cooper Basin has 115 gas fields hooked up through 536 wells. As I said, gas was first discovered commercially in 1963. There has been commercial gas supplied to Adelaide since 1969, and commercial gas has been piped into Sydney since 1976. It gives a total pipeline and flow line measurement of 5,600 kilometres, which includes the 790 kilometre trunk line to Adelaide and the 1,160 trunk line to Sydney.

This gas supply to Adelaide has been reasonably complemented by the SEA Gas pipeline, which just happens to bypass close to my home town of Coomandook. The 750 kilometre pipeline from Port Campbell in Victoria supplies gas to Pelican Point power station at Port Adelaide. This line was first commissioned in 2004 and brings gas from offshore gas fields on the Victorian coast. SEA Gas supplies 50 per cent of Adelaide's annual supply and, if there is a problem with the supply from Moomba, there is more than enough in that line to take up the slack, so that is certainly

good insurance as far as Adelaide and South Australia are concerned, because it gives South Australia the security of an alternative gas supply.

We need to realise that natural gas is a massive resource that can be utilised by many industries and domestic markets. I think we need to enhance accessibility to regional communities. The low emission benefits of using gas compared to other fossil fuels means it should be used more widely, and I think we should make arrangements to improve this access via regulation. With those words, I conclude my remarks.

Mr VENNING (Schubert) (12:37): In the past I have worked fairly closely with this industry, particularly when we came to government in 1993 because I was the parliamentary secretary of mines and energy. It was great to follow the then minister, Stephen Baker, and it was mind-blowing to find out about the industry that we have in the north of our state and how lucky we are to be blessed with such good reserves.

This has meant much to the people of South Australia, as the members for MacKillop and Hammond have just said, because the opportunities for workers in South Australia have been huge because of the industry, and certainly it has delivered on every front. It has also been very good for investors. I declare an interest because I believe my family would have some interest, although I am not aware of it. However, I cover myself by saying that, as I always do.

There has always been some political activity in relation to the gas reserves in South Australia, and the issue has been before this house many times—and I understand this legislation has been on the slow burner for probably eight years. It has come across two governments, so I cannot stand here and slag the minister for this motion. In fact, we support this legislation, and I can say that, try as I might, Madam Deputy Speaker, I cannot get cross with the minister over anything in this bill, and I cannot even get cross with his advisers, because it has been a long-term legislative activity.

Over the years we have had discussions on topics such as monopoly rights in relation to the supply of gas, particularly in relation to Santos, and they have been long, hard yards because the people who created the industry and built the pipelines thought they had some guaranteed right to a monopoly in the market. So it has always been touchy and hard work, particularly when we had the problem with the pipeline. The plant broke down and there was a fire, and all the rest of it. So, it has had a controversial passage.

Third party access to pipelines was always an issue. Again, I understand that it pretty well has been addressed now. I believe that this legislation tidies it up. Selling gas interstate was always a problem. I was present at the opening of the new pipeline to Sydney (or it could have been Melbourne; I am not sure). It was a methane line, and there was a lot of controversy. We were going to sell all our gas assets interstate and were going to run out ourselves. There was always some controversy about that. No doubt, that is now being sorted out.

The bottom line is that I think we should guarantee that, where possible, both South Australian domestic and bottled gas users should always have access to gas. That is a favourite subject of mine, because most of my constituents who have gas have to use bottled gas, because they do not have access to the pipeline. Most regional and rural dwellers have access only to bottled gas and, as we know, it is very expensive; it is probably three or four times the price that it would be if a person had a pipeline connected to their house. So, the question could be: should those on household supply in metropolitan areas subsidise the bottled gas users? That is always an interesting question, and I will see what the minister has to say. We support this legislation, and I commend the minister and the members for MacKillop and Hammond on their speeches here today.

The Hon. P.F. CONLON (Elder—Minister for Transport, Minister for Infrastructure, Minister for Energy) (12:41): I will be brief, because I do not think that a large number of issues have been raised. Just so people understand where this all comes from, way back in 2002, the state energy minister set out to try to fix some problems with respect to electricity and gas regulation. I will not go through all of those matters; I think I have probably spoken about them before when speaking on electricity bills. That reform was necessary, but the price of that reform was that the commonwealth had its own agenda—and can I say that this move to national regulation was very much a former agenda of the previous government. Of course, we have been in it now, as was pointed out by the member for Schubert, not for eight years, but for about 6½ years, and we are far too far down the track in the creation of all these things to go anywhere else.

Just so that people understand, I have defended the interests of South Australia on all occasions in this process. I believe it is a process that will not prejudice any interests in South Australia and will, to some small degree, advance them. However, I am not going to come into this house and pretend that I have been a strong advocate for the national regulatory approach throughout. I have been very careful to make sure that the national regulatory approach is at least as good as the approach we have had in South Australia to these matters.

In terms of the question about access to gas, which was raised by a couple of members, what they refer to is the creation of a distribution system for those who would seek to take gas from the pipelines. While there is a regulatory matter about this, we should make no mistake: those decisions are business decisions for the operators of distribution pipelines. Where those pipelines do not deliver reticulated gas to people is where the businesses have made a commercial decision that there will not be enough revenue out of building a pipeline.

I understand the suggestion that there should be more access for people and that people should get that if they want it, but make no mistake: what you are talking about is a socialisation of the industry. We on this side believe in equity, and there may be some merit in what members opposite argue for, but I do not think that you are going to create, this late in the day, a regime of cross-subsidy in the gas industry to get access to people who are not commercial customers.

There have been jurisdictions that have made lump sum contributions to bring that about, and there may be some merit in that, but you will not create a regulatory regime that requires people to act uncommercially, and I do not think you will be able to create a regulation regime that requires the implementation of cross-subsidy without fundamentally changing the nature of it.

I understand what you are saying, but I am just telling you what the real world is. It has not been the approach of your former federal government to do such things. As I say, there may be some argument that there should be a contribution to help people get on, especially in a world which is facing carbon costs and in which we want to reduce emissions, but I think it would have to be an argument made on a case-by-case basis and not under the regulatory regime. I do not think that the regulatory regime could be at large to decide which cross-subsidy should apply where.

The only other point raised was access, that is, the requirement of information to be provided and the fact that industry has a different view from many. I simply point out that this is the result of very extensive consultation with industry. I sat in my office with people from the pipeline gas industry who talked to me about the fear they had of being required to provide information. I must say that, when I asked them whether this regime was any different from the state regulators, they did not think that it really was. It was more an issue of being nervous about dealing with the new regulator than it was about being required to provide information.

This has been the result of very lengthy consultation and, as a result, this is the arrangement. It probably does not make everyone happy, but that is pretty much what you get when you do these things. The other thing I would say, of course, is that it is also the result of the agreement between all the states and the commonwealth. I believe that it is a regime that will serve the industry well. I think there are matters which are not dealt with in the regulatory approach and which will be the subject of further discussion. In particular, I have put on the record with the Ministerial Council of Energy that I think the new government should look at getting some gas ashore, whether it is by regulatory approach or incentive through the construction of new pipelines.

I have put on the record that I am very concerned about a possible move to liquefaction of coal seam methane and its effect on natural gas prices. People should understand that we do not compete against liquefied gas at present—and you would not want to—and we certainly do not want to be in a position where we are competing with the price of liquefied gas because it would be at least 50 per cent higher than current gas prices. Those matters are for the future. This is the result of a lengthy period of consultation and agreement, and I commend the bill to the house.

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

SUPPLY BILL 2008

Adjourned debate on second reading.

(Continued from 1 April 2008. Page 2400.)

Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (12:49): I indicate from the outset that I will be speaking first as leader and shadow treasurer, but the lead speaker will be the shadow minister for finance who will follow me, so I am happy to be timed. This Supply Bill is

before the house at a very important juncture in this state's economic development. It comes to the house after six of the best years this state has ever seen.

Revenues clearly demonstrate that the budget has grown from the vicinity of \$8 billion a year to approaching \$13 billion—soon more. It has been an extraordinary period of growth in revenues for this Labor government, built, of course, on the back of tough decisions made by the former Liberal government that had to sweep up the mess created by the current Premier and the Bannon government as a result of the State Bank collapse and the \$11.5 billion of debt the state inherited in 1993-94. It was eight hard years, during which, frankly, some tough decisions had to be made. I have noted this government ripping itself to pieces over what to do in respect of WorkCover's unfunded liability.

It is probably having now a bit of an insight into the tough decisions we had to make when we were in government, trying to get rid of that \$11.5 billion worth of debt—tough decisions about the sale of assets (such as ETSA) and tough decisions about the reform of the public sector, all necessary to ensure that, when we handed them over, the accounts were in good order in early 2002. In fact, they were in outstanding order. The budget papers clearly show that essentially this government inherited no debt to speak of and buoyant revenues. Frankly, it has been a breeze! As I have said before, I think that two gorillas in a VW could have run this Treasury and this economy over the past six years. You did not need to be Einstein. Billy the goose could have been the Treasurer—in fact, some might argue that Billy the goose has been!

To crow about balancing budgets in the past six years of buoyant times is almost laughable. It has been a breeze. Let me just take members through some of the main issues. Revenue collections have been simply extraordinary, with state finances continuing to benefit from the GST deal, which the Treasurer and the Premier opposed, which Labor did not want but which, of course, now, according to Standard and Poor's, along with the ETSA privatisation, has proven to be one of the greatest benefits to the state's balance sheet in its history. The Rann government is the highest-taxing government in the state's history. Taxes combined with GST payments and grants from the commonwealth make this the wealthiest government South Australia has ever had.

My friend, the shadow minister for finance, will go into more detail, but it is simply a striking amount of revenue, estimated to be close to \$14 billion by 2011. Of course, the Treasurer will enjoy a cumulative \$29 billion of additional revenue over and above what the Liberals had in the 2001-02 budget.

The Hon. K.O. Foley interjecting:

Mr HAMILTON-SMITH: It has been a great time to be Treasurer, that is my point. It could not have been easier. All the Treasurer had to do, in fact, was to keep his expenses under control over the past six years and watch the revenue grow. One could have built sound surpluses for structural reform.

The Hon. K.O. Foley interjecting:

Mr HAMILTON-SMITH: You have got disgraceful surpluses, Treasurer. A demonstration of how to do it properly was provided by Howard and Peter Costello where, with buoyant revenues, they kept their expenses under control and invested in funds for the future, thereby eliminating debt (\$96 billion of it) and providing structural form options for the future, including tax reform and infrastructure. Had it kept its expenses under control over these past six years, the government would have now had a windfall surplus it could have used for tax reform, infrastructure, public sector reform and a range of other structural changes.

It has left itself without that flexibility by spending everything that came in. As the Auditor-General confirmed in his most recent report, it is a government with a budget where expenses are out of control, rescued by what he called (and I think I am quoting directly) 'windfall revenue gains'—windfall, unexpected gains, have saved the budget year after year. The surplus about which the Treasurer crows has been delivered by unexpected windfall gains. He knows that, and he is trying to present himself to the business community as a sound economic manager, which is a little like someone who has won lotto crowing about the fact that they will make the rent payment this month and meet the car instalment! They have won \$1 million in Lotto, but they are going to pay their \$300 a week rent. Aren't they great; aren't they fantastic! This is what we are dealing with.

I regret to say that some of the media have taken this line, accepted it and swallowed it. I say to them: look closely at the buoyant revenues this government has enjoyed and look at what could have been. Instead of having surpluses to deal with, instead of having a gap in cash between expenses and windfall, the Treasurer is now having to go out—

The Hon. K.O. Foley: What does a gap between cash and windfall mean?

Mr HAMILTON-SMITH: I will explain in a minute; just listen. The Treasurer is in deficit in two out of three budget measures—everyone knows that—and he has fiddled the books according to the *Financial Review* (I will mention that in a moment); but, instead of having money to play with for infrastructure, he is now having to go out and finance infrastructure for public-private partnerships in what will be shown to be complicated financing arrangements—which one very senior banker described to me as car financing deals—and we will finish up paying billions and billions more than the construction price for things like the Marjorie Jackson-Nelson Hospital over time as we pay it off until 2046.

The Hon. K.O. Foley: Why don't you get a briefing on it, mate: you don't know what you are talking about.

Mr HAMILTON-SMITH: It is funny you should mention that, because we have had a couple of briefings on it, and, do you know what your officers have done? Contradicted you.

The Hon. K.O. Foley interjecting:

Mr HAMILTON-SMITH: Yes, they have, as you will hear later. They have contradicted you, and they have exposed your lack of knowledge not only of PPPs but of how funding works. My colleague the shadow minister for finance (the lead speaker) will go into more detail on tax revenue and on revenue raising effort ratios where, as the Commonwealth Grants Commission has shown, we are levying our tax base more severely than any other state. It is a fact: we are levying our tax base more heavily than any other state. Look at the Commonwealth Grants Commission's own table. It is provided in our tax reform paper. Of course, in regard to payroll—

Members interjecting:

Mr HAMILTON-SMITH: Madam Deputy Speaker, can we just control the interjections so that we can hear what is going on?

The DEPUTY SPEAKER: Order! No interjections from either my right or my left.

Mr HAMILTON-SMITH: In regard to payroll tax, from 2001-02 to 2007-08 revenue was simply increased by 45 per cent. The Treasurer says that he has cut payroll tax; the facts seem to say something else. Over 9,000 South Australian businesses were liable to payroll tax in 2006-07; only 7,200 when he took over government. He talks about cutting taxes; of course, the facts tell otherwise. Look at property tax regimes and revenue. Look at the increase—96 per cent increase on taxes on property; 45 per cent on payroll tax; gambling taxes up 31 per cent; and taxes on insurance up 33 per cent. Wow! What a great time to be Treasurer. He needs to go and talk to Stephen Baker if he wants to know what it is like to be a Treasurer with true grit at a time—

The Hon. K.O. Foley interjecting:

Mr HAMILTON-SMITH: Well, the worst of it was straight after your \$11.5 billion chaos. In fact, he could also go and talk to Rob Lucas. He might learn something from both of them. He would learn what it is like to be a treasurer when times are tough, when revenues are declining, when the previous government has handed you wreckage—that is what he would learn. He has had an easy job—the easiest job of any treasurer in this state's history. He has not been challenged, but he is being challenged now, because the forward projections are clearly indicating declining property revenues.

He is clearly in trouble. He has an infrastructure bill that he has to meet. He has revenues that are under challenge, not only from declining property revenues going forward but through shakeouts in the sharemarket, reduced returns on investment funds, and he has a range of other challenges which he is facing, not the least of which is reduced growth across the nation, the chance of the economy in other leading economies such as the US going into recession, and uncertain times ahead. Of course, all this in the two budgets leading up to the next state election.

What a shame for the people of South Australia that he did not have the foresight to provide more fully in the first six budgets when times were good. What a shame that we have now been left short. He may now have to increase taxes and administer cuts to spending that he might have been able to avoid if he had been a better Treasurer over the past six years when he had the buoyant revenues. It is very clear that, if these revenues contract he has got a problem; he is going to have a deficit.

I will not go on. I will leave that to my colleague the shadow minister for finance, who can go into the detail. I will say that we enter this Supply Bill debate in poor shape for the future, having

been in good shape for six years, through no good work of this government; it simply inherited it all. It has not made the tough decisions and it has now left South Australians caught short.

As others on this side of the house will explain during the course of this supply debate, it could have been avoided. We could have more to show for the buoyant six years that we have just had. We could have more surety for the future, given the uncertainties we now face. This Supply Bill comes before the house at a time of uncertainty, and it is one that should focus the attention of all members.

Debate adjourned on motion of Mrs Geraghty.

[Sitting suspended from 13:01 to 14:00]

GLENSIDE HOSPITAL REDEVELOPMENT

Ms CHAPMAN (Bragg—Deputy Leader of the Opposition): Presented a petition signed by 76 residents of South Australia requesting the house to urge the government to retain the areas known as precincts 3, 4 and 5 of Glenside Hospital to ensure they continue to be available as open space and recreational, together with mental health services.

ANSWERS TO QUESTIONS

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

EMPLOYEE BENEFITS

In reply to the **Hon. I.F. EVANS (Davenport)** (14 November 2007).

The Hon. J.D. LOMAX-SMITH (Adelaide—Minister for Education and Children's Services, Minister for Tourism, Minister for the City of Adelaide): Funding for wage increases in the 2006-07 Budget amounted to \$69 million. This amount has been offset by the effect of a fall in student enrolment numbers, a once off increase in the 2005-06 long service leave (LSL) expense due to a change in the accounting policy on how the LSL provision is calculated, the payment of TVSPs in 2005-06 and the reduction in the payroll tax rate for 2006-07.

It is estimated that overall staffing costs in 2006-07 were \$11.8 million less than in 2005-06.

WATER SECURITY OFFICE

In reply to **Mr WILLIAMS (MacKillop)** (13 February 2008).

The Hon. K.A. MAYWALD (Chaffey—Minister for the River Murray, Minister for Water Security, Minister for Regional Development, Minister for Small Business, Minister Assisting the Minister for Industry and Trade): I am advised the Office for Water Security is being established as a division within the Department of Water, Land and Biodiversity Conservation (DWLBC) to consolidate and augment the strategic water policy capacity within the South Australian government.

Staff Numbers

Staff of the Office for Water Security (OWS) will total approximately 21 employees. These positions consist of:

- Eight existing positions and associated funding from within DWLBC
- Three existing positions and associated funding from SA Water will be transferred to OWS.
- All existing positions from DWLBC and SA Water are cost neutral and any transitional costs are being met from within existing agency budgets.
- Up to 10 new positions;
- Eight new water policy positions will be created;
- A new Commissioner for Water Security will be appointed; and
- An administrative support position.

Budget

The budget for the 10 new positions and associated costs is:

- \$1.01 million in 2007-08;
- \$1.517 million in 2008-09 increasing to;
- \$1.672 million in 2011-12 and ongoing.

FINES REVENUE

157 Dr McFETRIDGE (Morphett) (31 July 2007). What is the total amount of red light camera and speeding fine revenue expected as a result of the expansion of the existing red light and speed and will this revenue be allocated to road maintenance and road safety programs?

The Hon. P.F. CONLON (Elder—Minister for Transport, Minister for Infrastructure, Minister for Energy): The Minister for Road Safety has provided the following information:

The amount of red light and speed camera revenue budgeted to be collected in 2007-08 is not information that DTEI has available. It is my understanding that SAPOL set the budget.

Expiation revenue from anti-speeding devices is paid into Consolidated Account by SAPOL and the Courts Administration Authority, and then appropriated to the Community Road Safety Fund.

The Community Road Safety Fund was established on 1 July 2003 and since then has funded a wide range of key road safety initiatives including infrastructure, education and enforcement programs. Total budgeted appropriation to the Community Road Safety Fund in 2007-08 is \$72.8 million. Revenue into the fund in 2006-07 was \$68.5 million.

As a result of the government's ongoing effort in road safety initiatives which influence driver behaviour expiation revenue from anti-speeding devices is currently estimated to be below the budget figure of \$72.8 million in 2007-08.

P-PLATE DRIVERS

317 Dr McFETRIDGE (Morphett) (20 November 2007). How many motor vehicle accidents involving P-plate drivers occurred in each year since 2000-01?

The Hon. P.F. CONLON (Elder—Minister for Transport, Minister for Infrastructure, Minister for Energy): The Minister for Road Safety has provided the following information:

The number of crashes that involved drivers with a provisional licence from 2000-07 are as follows:

Year	Number of fatal crashes	Number of serious injury crashes
2000	24	189
2001	17	185
2002	13	162
2003	17	162
2004	13	143
2005	16	120
2006	10	128
2007	15	162

The 2007 data is preliminary and subject to change, with serious injury crashes reported to the 31 October 2007.

DEFENCE SA ADMINISTRATIVE UNIT

358 Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (18 February 2008). How many staff are employed in the Defence SA Administrative Unit and what are the salaries, including on-costs?

The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change): I have been advised of the following information:

As at 1 February 2008, the Defence SA Administrative Unit employed 23.4 FTE.

Total salaries including on-costs for these staff is \$3.519 million.

On-costs include compulsory employer superannuation contributions, payroll tax and long service leave provisions.

DEPARTMENT AMALGAMATIONS

364 Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (18 February 2008). What departmental savings were made by amalgamating the Office of Public Employment with the Department of Premier and Cabinet?

The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change): I have been advised of the following information:

The departmental savings made by amalgamating the Office of Public Employment with the Department of the Premier and Cabinet were \$3.0 million per annum from 2007-08.

TOUR DOWN UNDER

371 Dr McFETRIDGE (Morphett) (18 February 2008). What was the total cost of providing all SAPOL services to the Tour Down Under, how many officers were involved and what costs came from the SAPOL budget?

The Hon. J.D. LOMAX-SMITH (Adelaide—Minister for Education and Children's Services, Minister for Tourism, Minister for the City of Adelaide): The Minister for Police has provided the following information:

The Tour Down Under consisted of a six stage cycling event held between 22 and 27 January 2008. The Down Under Classic held on 20 January 2008 at Glenelg is an associated event participated in by many cyclists as a preparatory exercise.

A specific cost centre for the tour was not considered necessary for SAPOL's normal business processes, as service delivery costs in relation to police involvement were absorbed within SAPOL's budget allocation.

The operational policing commitment made by SAPOL was determined by assessment relative to criteria used by SAPOL in the planning of all significant events held in this state. Approximately 295 officers were involved over the seven days of the event for traffic policing all stages, general policing of all stages, general policing of associated events and pre-event planning. Staff were drawn from traffic enforcement sections and local service areas.

The Tour Down Under has achieved pro tour status on the cycling calendar and is the first event outside of Europe to do so. The standard of the event is acclaimed world wide and is contributed to by SAPOL's best practice approach to the planning, staffing and policing of this and other significant events.

QUEEN'S COUNSEL

The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change) (14:01): I seek leave to make a ministerial statement.

Leave granted.

The Hon. M.D. RANN: On Monday 21 April 2008, as acting attorney-general, I met with Chief Justice John Doyle on the issue of the procedures for the appointment of Queen's Counsel and the designation of Queen's Counsel itself. In that meeting, I reaffirmed my view to the Chief Justice that reform of the longstanding arrangements was due—in my view, overdue. Under protocols established in 1970 by the then premier, Don Dunstan, appointments to Queen's Counsel are made by the Governor in Executive Council following recommendations by the Chief Justice to the Attorney-General. The procedure does not provide for the government or the Attorney-General to vary the recommendations of the Chief Justice. In other words, cabinet, government and Executive Council simply become a rubber stamp.

The government now acts as a virtual post box. In those circumstances, I do not consider it appropriate in a modern age for the executive government to maintain an involvement in the process. The Chief Justice raised with me at our meeting a reform proposal, developed by him and a committee of the Supreme Court judges, that did not involve appointment by the executive government.

The Chief Justice presented to me, as acting attorney-general, a proposal for a new appointment process that would not involve the executive government. Instead, it is proposed that appointments would be made by the Chief Justice after consulting the Attorney-General, the Solicitor-General, the judges, the Law Society and the legal profession. Future appointees would no longer be called Queen's Counsel and, instead, the designation of Senior Counsel would apply—no longer QC, from now on SC. The process would be set out in a new practice direction to replace Practice Direction 12.

The Chief Justice gave me a detailed draft of the proposed practice direction. He also advised that the adoption of the new practice direction is within the current powers of the court. No new regulation or legislation is proposed. The government fully endorses the Chief Justice's proposal.

The government will recommend to the Governor that the existing regulation underpinning the current arrangements be revoked, upon which the Chief Justice will issue the new practice direction establishing the revised arrangements. It is anticipated that the new arrangements will come into effect as soon as practicable and all future applications for appointment to Senior Counsel will be considered under these arrangements. In other words, the QCs will not be appointed by the government in theory: they will be appointed by the Chief Justice.

The Chief Justice does not propose to change the present rule that the title is limited to persons practising as barristers and cannot be used by members of law firms. The Chief Justice's proposal addresses the government's concerns. The title of Queen's Counsel would not be conferred in future. All new appointees would be called Senior Counsel. The proposal provides that those Queen's Counsel who prefer in future to be known as Senior Counsel, that is, existing QCs, may do so by resigning as Queen's Counsel and adopting the title of Senior Counsel instead. Somehow I doubt whether there will be a long queue wanting to change their title. A person's place in the order of precedence will not be affected by doing so. Those Queen's Counsel who wish to retain their present title are free to do so.

Importantly, the proposal from the Chief Justice also provides—and this is the critical point in terms of the government's concerns about the past—that any pending disciplinary matters must be disclosed, as must any other fact that might disqualify the person from appointment as senior counsel. Further, the Chief Justice proposes that the appointment may be revoked by the Chief Justice if the court, the Legal Practitioners Disciplinary Tribunal or the Legal Practitioners Conduct Board finds the person to be guilty of conduct that, in the opinion of the Chief Justice, is incompatible with the office of senior counsel. Further, the Chief Justice can revoke the appointment if he considers that the person has acted or practised in a manner incompatible with the office of senior counsel or that the person is otherwise unfit to hold the office.

Before exercising his power, the Chief Justice would give the person affected an opportunity to show cause why the appointment should not be revoked. The Chief Justice also plans to widen the range of persons consulted on the appointments, and to change the consultation process. In addition to persons who are now consulted, the Chief Justice proposes to consult the Chief Magistrate, the Supreme Court Masters, the senior resident member of the Administrative Appeals Tribunal, the Solicitor-General, and the president of the Women Lawyers' Association. Consultation will take the form of group meetings: first, with a group consisting of the Attorney-General, the Solicitor-General, the president of the Law Society, the president of the Bar Association, and the president of the Women Lawyers' Association (or their nominees), and then with a group representing the judiciary. In addition, the judges and masters of the Supreme Court will be entitled to comment, and the Chief Justice will meet with those who do.

The Chief Justice also proposes that a person who applies unsuccessfully for appointment should be entitled to request a meeting with the Chief Justice to discuss the reasons. I do not expect that either the Attorney-General or, indeed, the shadow Attorney-General is likely to be appointed as senior counsel.

South Australia is the last state to use the term 'Queen's Counsel'. The new arrangements will bring South Australia into line with all other states, where the term 'senior counsel' has been adopted. I am advised that the appointment procedures are consistent with other states, all of which do not now involve executive government in the appointment process.

In my view, the proposed new system addresses the government's concerns about the present system—and I had serious concerns about the present system as it applied a year or so ago. In particular, it improves consumer protection by ensuring that disciplinary matters are disclosed and that a person who is unfit to hold the office will lose it. It also improves transparency,

both in that consultations will be conducted in groups, and in that disappointed applicants can seek a meeting with the Chief Justice to discuss the matter.

In conclusion, I congratulate the Chief Justice of South Australia, the Hon. John Doyle AC, for his proposal, which the government supports unanimously.

PAPERS

The following paper was laid on the table:

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

Outback Areas Community Development Trust—Report 2006-07

LEGISLATIVE REVIEW COMMITTEE

Mrs GERAGHTY (Torrens) (14:04): I bring up the 18th report of the committee.

Report received.

VISITORS

The SPEAKER: I draw the attention of honourable members to the presence in the chamber today of students from the Mount Barker Waldorf School, who are guests of the member for Kavel, and students from Westminster School, who are guests of the member for Elder.

QUESTION TIME

BHP BILLITON

Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:10): Is the Premier aware of any consideration or plans by BHP to close down part of its administration operation here in Adelaide? What action has he taken to ensure that the benefits of the Roxby Downs mine project include expanded office functions in South Australia?

The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change) (14:10): I am very happy to answer those questions because what we are seeing are 30 mines that will be approved, I hope, in South Australia. We have seen a tenfold increase in mining exploration under this government compared with when the Liberals were in power, because they were anti-mining and anti-development. Someone had to have the guts to change the policy and embrace uranium mining—and it might as well have been me. I know that I am referred to as Yellowcake Rann around the place, but I am happy to live with that. I remember Pig Iron Bob and how long he lasted in office! I have a statement here:

BHP Billiton's Adelaide's office has grown significantly over the past two years with around 250 additional new positions created to work on the company's Olympic Dam Expansion Project.

So, up 250 jobs. I continue:

The company has also added several hundred new positions to the Olympic Dam operation.

So, it is hundreds and hundreds up on where it was previously. The statement from BHP Billiton continues:

Overall BHP Billiton's presence in South Australia is significant with, around 1,000 employees and subcontractors based in Adelaide—

a thousand jobs in Adelaide—

and a further 3,200 employed directly and indirectly at Olympic Dam. The company's Shared Services function, which has been based in Adelaide since 2000—

one of a series of announcements the previous government made about call centres—

is restructuring. This will involve a number of jobs being moved to Adelaide and about 50 positions being relocated closer to relevant businesses in Australia and overseas. Overall the number of Shared Services employees based within Adelaide will not alter significantly.

So, it has gone up hundreds and hundreds of jobs, but we did not hear that from the Leader of the Opposition, who is anti-development and anti-mining. It would be great to see an opposition that supports uranium mining.

The SPEAKER: Order! The Premier must not debate the question.

The Hon. M.D. RANN: The statement continues:

The company's combined corporate function in Adelaide is one of the largest within its global corporate network and BHP Billiton expects to remain a significant employer in Adelaide and South Australia for many years to come.

It is about to embrace the biggest mine in the world. Apparently, the Leader of the Opposition did not know that. It is the world's first trillion dollar resource. It is going to involve shifting 1.5 million tonnes of rock every day. It is going to see thousands and thousands of extra jobs. In fact, we expect—

Members interjecting:

The SPEAKER: Order, members on my left!

Mr Venning interjecting:

The SPEAKER: Order, the member for Schubert! The Premier.

The Hon. M.D. RANN: Let's give you some more detail because we know that you desperately hate the fact that, when the jobs figures come out, we see record jobs growth in this state. We know that you get very disappointed when you see record full-time jobs because we saw what happened when you were in power—we saw the casualisation of the workforce.

The fact is that jobs growth under this Labor government vastly exceeds that of the previous Liberal government in this state, of which the Leader of the Opposition was one of its shining stars. What will the Leader of the Opposition be remembered for? Privatisation—that is the only thing he will be remembered for.

The SPEAKER: Order! The Premier is debating the answer. He will return to the substance.

The Hon. M.D. RANN: I have some strong details here. Now we have some breaking news.

Members interjecting:

The SPEAKER: Order!

Members interjecting:

The SPEAKER: Order, members on my left!

The Hon. M.D. RANN: BHP Billiton is not leaving Adelaide; in fact, it is growing its Adelaide office into one of the biggest within its global network. BHP Billiton currently has in Adelaide the following numbers according to this brief: Olympic Dam expansion, 400 BHP Billiton employees and contractors; Olympic Dam personnel, of course, we have seen just in Adelaide 60 employees with plans to add many more; Shared Services, 543 jobs as of December 2007.

The total Adelaide workforce is estimated at more than 1,000 FTEs, believed to be South Australia's biggest corporate office. In addition, the Olympic Dam mine employs around 3,500 FTEs from BHP Billiton and contractors. Because the opposition has difficulty adding up, I am advised that the total BHP Billiton workforce in South Australia is more than 4,500 FTEs.

You might want to attack the mining industry. You might want to attack the Olympic Dam expansion. You might want to attack a company like BHP Billiton.

Ms Chapman interjecting:

The SPEAKER: Order!

Ms CHAPMAN: I rise on a point of order. Clearly, the Premier is now debating the matter.

The SPEAKER: Yes, I uphold the point of order. The Premier will return to the substance of the question.

The Hon. M.D. RANN: In 2007, BHP Billiton spent more than \$500 million in South Australia on services from South Australian companies. It contributed more than \$11 million in payroll tax and \$64 million in royalties. The company's activities support an estimated 15,000 in indirect jobs across the state according to the South Australian Centre for Economics report released in March 2005. There are bound to be a lot more now.

As part of its current global strategy, BHP Billiton is focused on delivering services to its operations by devolving functions to its assets. The point is that here in South Australia—this is the

good news is that you do not want to hear—the breaking news is that BHP Billiton is employing more people than ever in this state; far more than when you were in office—and we are getting behind the mining industry.

We are going to make sure that the mining industry is around for more than a hundred years to underpin prosperity in the future. It is the biggest jobs bonanza this state has ever seen. You should have been down there at the conference today rather than attacking one of the biggest companies in this state.

PREMIER'S ANZAC SCHOOL PRIZE

Mr PICCOLO (Light) (14:18): My question is directed to the Minister for Education and Children's Services.

Members interjecting:

The SPEAKER: Order! I cannot hear a word the member for Light is saying.

Mr Pengilly interjecting:

The SPEAKER: Order! The member for Finniss will be quiet when I am on my feet or he will be out of here. I cannot hear a word the member for Light is saying. Members will be silent. The member for Light.

Mr PICCOLO: Will the minister please outline to the house what was the outcome of the recent Premier's ANZAC School Prize trip to France?

The Hon. J.D. LOMAX-SMITH (Adelaide—Minister for Education and Children's Services, Minister for Tourism, Minister for the City of Adelaide) (14:18): I thank the member for Light for his question. He would indeed be interested in this answer because two students from his electorate were prizewinners partaking in this trip to London, Belgium and France.

This is the second year that the Premier's ANZAC School Prize has been run. It is a brilliant event because it allows young people to visit battlefields from the First World War. The five successful students have the opportunity to take part in a two-week study tour, and the prizes are awarded on the basis of an essay and research they have carried out into the life and death of an individual. For some of those students, the individual was a relative and for others it was someone who was prominent within their community and well-known to their neighbourhood.

I am delighted that these students had this extraordinary experience. They had the opportunity not only to follow the last battles of their soldier by walking through the fields where they fought but also in some cases to attend the sites of the battle hospitals where they died. They then went to their graves in the war cemeteries and were able to present a commemorative speech representing their research and leave tokens on the graves.

The winning students this year were Kieran Langford from Loxton High School, Matthew Harmati—whom the member for Light knows—from Gawler High School, Richard Hayman from Immanuel College, Rebecca Hausler from St Mark's College, Port Pirie, and Naomi Wattchow from Westminster School, Marion. They were accompanied, as is appropriate, by a senior member of the RSL, this time Mr Graham Nybo, who is the Deputy Vice President of the South Australian RSL, and also two teachers, Ron Pippett from Immanuel College and Ilze Braddock from Loxton High School.

I was able to join the students as they attended Dernancourt and, as members would know, Dernancourt has a very strong relationship with South Australia and has a large cemetery named Adelaide Cemetery where very many South Australians are buried. The town, or I should say, the small village, was almost eradicated during the battle of the Somme when the German forces rose up the hill and an embankment to take over the railway line. When the South Australians returned from this devastating war, they raised funds and sent them back to Dernancourt for the rebuilding of the school, the town and the church, so that the church and the school were rebuilt with our funds and there was a strong relationship between the local community and South Australia.

In fact, if you visit the village now, the school has a sign saying 'Pavilion Adelaide' over the main hall. The townsfolk, the local mayor, Mr Lionel Lamotte, and the whole school turned out to see the ceremonies that were conducted, led by the RSL, where we laid wreaths, not only in Adelaide Cemetery on the graves of our fallen dead, but also in the French cemetery and a joint cemetery that has some combined forces.

We also visited Villers Bretonneux for the ANZAC Day dawn service. This event was extremely moving because Villers Bretonneux was also involved in another battle on 25 April. The students not only laid wreaths and commemorated the soldiers that they had researched but were able to remember the age and the youth of some of the fallen dead. Kieran Langford from Loxton had researched a young soldier called Edward Viney, who died at the age of 16, the same age as he was when he attended the grave. Another student, Rebecca Hausler, that afternoon walked through the field where one of her research soldiers fought. It was deeply moving and a life-changing experience for our five students.

I must say I was especially proud to be with them. They were great ambassadors for South Australia and we attended these cemeteries in the company of an English coach driver and an English historian. The historian's job was to research the battlefields and allow us to walk through relevant places and uncover sites of some of the war hospitals. The comments they made about our young students were really quite moving. They pointed out what good ambassadors they were, how proud we should be of them and how moved they were by their respect and gratitude to our fallen dead.

All in all, I thought this was a very good experience for me as Minister for Education and I feel that our community will be in good hands when these young children become adults and I am sure will continue respectfully and confidently in their lives remembering those who gave their lives for them.

We were asked by some people, as we travelled around, if attending war memorials glorified war. I think that is not true because when you see the size of the armies that were wiped out, the numbers of graves and ages of those who lost their lives, I think it can only reinforce the futility of war and the sense that, when you visit Villers Bretonneux and see 11,000 names carved on a wall knowing these are all lost in battle, you really understand what a pointless and wasteful event war is. I think it only brings back the very fine words of Ataturk, at another site related to ANZAC Day, when he said:

You the mothers who sent their sons from far away countries, wipe away your tears, your sons are now lying in our bosom and are in peace. After having lost their lives on this land, they have become our sons as well.

I think in death we all join in recognising the futility of war. I would encourage all members of parliament to encourage the schools within their communities to take part in the 2009 Premier's ANZAC School Prize. It is a well worthwhile trip, it is a life-changing experience and I think for the five students who are lucky enough to be chosen next year, their experiences will be much like those whom I accompanied this year.

BHP BILLITON

Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:25): My question is again to the Premier. Can he assure taxpayers that the ore removed from the expanded Roxby Downs mine will be refined here in South Australia, or is it now likely that most of the concentrate will be transported by rail and sea to China for value-adding and thus jobs creation and investment outside South Australia?

An honourable member interjecting:

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (14:25): No, I am the minister responsible for the BHP Billiton interaction with government.

Ms Chapman: And Victoria Park.

The Hon. K.O. FOLEY: What is your position on Victoria Park, Vickie? Mr Speaker, my understanding is that the opposition has been briefed by BHP Billiton on this matter. Is that correct?

Mr Hamilton-Smith: Some time ago.

The Hon. K.O. FOLEY: Some time ago!

Mr Hamilton-Smith: I want to know the state of play now. If you want to ask questions, come over here.

The Hon. K.O. FOLEY: You want me to come over there and ask you that question? Sir, my understanding is that BHP Billiton has briefed the opposition and, where appropriate, continues to keep the opposition informed. I would encourage the Leader of the Opposition to have discussions with BHP Billiton, and I am sure they will provide him with advice to the extent that they are able.

Mr Hamilton-Smith interjecting:

The SPEAKER: Order!

The Hon. K.O. FOLEY: My answer is their answer.

Mr Hamilton-Smith: What is the answer, then?

The SPEAKER: Order!

Ms Chapman interjecting:

The Hon. K.O. FOLEY: What a smart alec answer that is. I have not finished my answer.

Ms Chapman: Our answer is their answer?

The SPEAKER: Order!

The Hon. K.O. FOLEY: It is their project.

Ms Chapman: For goodness sake, have you got an answer yet?

The Hon. K.O. FOLEY: Mr Speaker, as the opposition has been briefed—and, as I said, I think the opposition should seek further briefings—BHP Billiton is currently undertaking a wide-ranging analysis of how it will extract, process and ship its product. What has surprised me is that it is proving to be a very difficult project, in the sense that it is the world's largest mine expansion—indeed, the world's largest mine, by a long way. They currently have an underground process whereby that ore is smelted on site. They are developing the world's largest open pit mine, and they have already said publicly that they have investigated, and are investigating, the possibility of exporting some of that product in a semi-processed form overseas.

We have made it very clear to BHP that it is the state government's position that we should maximise as much as possible in terms of value-adding and processing here in South Australia. Ultimately, the government and BHP Billiton will reach an agreed position in consultation with the national government, but it is an absolute condition of this government that the maximum possible processing should occur here. Whether or not that is 100 per cent is to be determined. We are not at that point, because the very significant capital requirement of this project is a matter with which BHP itself is still coming to grips. The cost of—

An honourable member interjecting:

The Hon. K.O. FOLEY: Sorry, who owns the what?

Ms Chapman: Water.

The Hon. K.O. FOLEY: We are negotiating with—

The Hon. P.F. Conlon: We should put them in a headlock.

The Hon. K.O. FOLEY: Yes, we can put them in a headlock.

Ms Chapman interjecting:

The Hon. K.O. FOLEY: The experts over the other side, of course! I accept I am not as clever as you lot and you would be the experts at it, but I am just trying to do the best we can do. Of course, we have engaged the services of Mr Bruce Carter to chair—

An honourable member interjecting:

The Hon. K.O. FOLEY: That's funny, is it?

Mr Hamilton-Smith interjecting:

The Hon. K.O. FOLEY: How much is Bruce earning from government?

Mr Hamilton-Smith interjecting:

The SPEAKER: Order!

Members interjecting:

The SPEAKER: Order!

The Hon. K.O. FOLEY: He is probably earning less than Dean Brown, actually, but I will check.

The SPEAKER: The Leader of the Opposition will come to order! If the leader has another question to ask, there is plenty of time for him to get up and ask it. He does not need to call out while the minister is attempting to answer the question. The Treasurer.

The Hon. K.O. FOLEY: That was an outrageous slur on one of the state's leading business people. We pay Dean Brown a lot of money to do work for us. Do you want to know how much Dean Brown gets paid, because I think it is good value?

An honourable member interjecting:

The Hon. K.O. FOLEY: Yes, and we pay him a lot of money—whether it is as much as Bruce Carter, I will have a look.

Ms Chapman interjecting:

The Hon. K.O. FOLEY: Why this opposition has to attack business people who are making a real effort to assist this state go forward is beyond me. To ensure that we have the best level of expertise and to assist us in negotiations with BHP, we have enlisted the support and the work of Bruce Carter. We have a dedicated team of public officials. Indeed, last night the Premier and I had dinner with SAMPEG which is a South Australian mineral expert advisory panel and which includes the likes of Dr Ian Gould, Hugh Morgan (the former managing director), Keith Yates and Paul Dowd. We have got leading mining magnates, leading mining CEOs, from around the world. In fact, I had detailed discussions last night with Hugh Morgan, for example. I was asking some advice from Mr Morgan on the way forward.

These are complex negotiations. We are doing what any diligent government should do, that is, maximising the benefit for this state. We currently have under investigation, from memory, at least 50 individual projects involving the interaction between government and BHP.

Ms Chapman interjecting:

The Hon. K.O. FOLEY: Sorry?

Ms Chapman interjecting:

The SPEAKER: Order!

The Hon. K.O. FOLEY: I had dinner with Hugh Morgan, and what?

Ms Chapman interjecting:

The Hon. K.O. FOLEY: Ask him what?

Ms Chapman interjecting:

The Hon. K.O. FOLEY: Hugh Morgan does not work for them anymore. He has retired. He has sold the company. The deputy leader just said, 'Are they going to process it here or not?' Hugh Morgan sold the company. Actually, no, it was Russell Michelmore. He retired eight years ago. What colour is red, Vickie? About the same colour as your jacket!

Ms Chapman interjecting:

The Hon. K.O. FOLEY: Hugh Morgan?

Ms Chapman interjecting:

The Hon. K.O. FOLEY: He retired eight years ago, Vickie. I don't think he is up to date exactly with BHP's inner thinking.

Ms Chapman interjecting:

The Hon. K.O. FOLEY: Have you ever spoken to Hugh Morgan? Have you?

Ms Chapman interjecting:

The Hon. K.O. FOLEY: When was the last time you spoke to Hugh Morgan?

The SPEAKER: Order!

Ms Chapman interjecting:

The SPEAKER: The deputy leader will come to order! I am on my feet. Question time will just get out of control if we have this ridiculous practice of questions, follow-up questions, or whatever, being asked of the minister while the minister is on his feet and the minister attempting to

answer and respond with his own questions. The minister was making a fairly straightforward answer, and I urge him to stick to it. The Treasurer.

The Hon. K.O. FOLEY: Thank you, sir. The process is that we are working towards a release of the EIS from BHP, we hope sometime mid or during the latter part of this year. In that will be a full outline of the project and the various processes that BHP Billiton will be undertaking. We have not resolved, nor has BHP resolved, on my latest briefing, as to what extent processing will occur here and/or off site. I said at the very beginning of this answer: my answer is their answer. Until BHP is able to come to the government and say, 'This is what we are now firming and finalising in terms of our operation,' I cannot be in a position to say whether or not that is acceptable.

It has certainly given us detailed briefings on what it is likely to do but, as I have found in this project, there can be rapid changes, and that is driven by the sheer enormity of this project. I think this is a project that requires bipartisan support, because, as yet, we do not know whether or not we will need to amend the indenture or whether perhaps there will even be a new indenture. Our hope is the existing indenture will cover it. However, this is a project which will last for 100 years, and I would hope that we can bring the opposition into confidential negotiations and discussions at the appropriate time to ensure that we eliminate issues of sovereign risk and that BHP can be confident that what we are doing has the support of both sides of the parliament.

I would encourage the Leader of the Opposition to get in contact with Richard Yeeles, the former chief of staff to premiers Olsen and Brown. I think contacting Hugh would be a good idea, but I think before you do, you had better remember that he does not work there anymore and has not for eight years—and it was with Western Mining, not BHP. That is extraordinary, isn't it? I have no idea, she reckons; crikey. I would encourage the opposition to do that because this is a project that must be above politics because it is in the interest of not just the immediate future of this state but also for a decade, for a century to come.

NORTHERN SUBURBS

Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:37): My question is to the Premier. Does the Premier support the views of the member for Little Para that South Australian elder statesman of music, Jimmy Barnes, should be told to put up or shut up regarding government neglect of the northern suburbs? Today in the house, the member for Little Para attacked the comments made by Mr Barnes in the *Sunday Mail* last weekend in which he lamented the poor condition of the state government's facilities in the northern suburbs. This morning the member told the house the following:

I saw the comment made by Jimmy Barnes, and I thought it was a bit of a yawn. Jimmy has said these things before. Jimmy comes back and says these things about his past. Fair enough, that was 40 years ago, but then he whizzes off again. It would be really good if Jimmy Barnes put his money where his mouth is, and if he really thinks these things he should get involved...If Jimmy Barnes really thinks this and really wants to do something, then rather than coming in here writing open letters to the media and then disappearing, he might say, 'Right, I'll put some money in. I'll form a foundation,' otherwise I think he should put up or shut up.

The Hon. P.F. CONLON: Mr Speaker, I rise on a point of order.

The SPEAKER: Order! I do not think it is necessary to repeat the entire speech given by the member for Little Para. I think ministers are capable of responding.

The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change) (14:38): The Leader of the Opposition, Martin Hamilton-Smith, working-class man—you can just see it. We can see him there. He is a Jimmy Barnes' supporter, we know that from way back. He is a working-class man, we know that. In the northern suburbs, there are billions of dollars worth of development. Let me go through some of them, because clearly the Leader of the Opposition has not been briefed. We are very happy to give him a briefing about the Olympic Dam expansion and how we intend to maximise a huge number of jobs for South Australians, because I will make a prediction that I am sure will end up on the front page of the newspaper that somewhere during the—

Ms CHAPMAN: Mr Speaker, I rise on a point of order. I do not recall the leader asking a question about Jimmy Barnes at Olympic Dam. He was talking about Elizabeth.

The SPEAKER: Order!

The Hon. M.D. RANN: During the 150-year life of the mine, there might be a Liberal government—

The SPEAKER: Order! The Premier, when I am asked a point of order, does need to wait for me to rule on it. Even if he and I might be in agreement about whether or not something is in order, he still needs to wait for my ruling. No, there is no point of order.

The Hon. M.D. RANN: Perhaps we could brief the Leader of the Opposition about what is happening at the Lyell McEwin Hospital—under a Labor government, because it would not happen under a Liberal government—where there is virtually a doubling of the number of beds and hundreds of millions of dollars being spent, effectively building a brand new hospital on the same site. It is a fantastic development at the Lyell McEwin.

Then there is the one billion-dollar development at Buckland Park, supported by the Lang Walker Corporation; the development at Playford North in which the Minister for Housing has played a leading role; and then we go on to the massive Edinburgh base expansion (a new super base) and a battalion being shifted across from Sydney into the northern suburbs.

Then of course there is Mawson Lakes and Edinburgh Parks and the work that is being done in terms of billions of dollars worth of defence projects of which the northern suburbs, more than any other area of the state, is the big beneficiary. So, we have Mawson Lakes, Techport, Playford North, Buckland Park, the Lyell McEwin and the new super schools. We have seen new police stations, including fantastic developments out at Gawler. We remember, too, a young but noble-minded member of parliament who promised and delivered a new police station and a brand new TAFE college for Salisbury. The leader's vision does not go beyond the Mitcham Shopping Centre. We have seen the motorbike, and we have seen the action man, the working-class man. You need a briefing.

MURRAY-DARLING BASIN AGREEMENT

Mr HAMILTON-SMITH (Waite—Leader of the Opposition) (14:42): Does the Premier now accept that Labor premiers in other states and Labor's federal minister for water, Penny Wong, outsmarted him on the need for an independent Murray-Darling Basin Commission? The Premier claimed that in the agreement on the Murray, which he hopes will be signed by COAG in July, he won the day on the independent governance of the Murray. But last night, on ABC television's *Lateline* program, federal water minister, Penny Wong, revealed where the power will sit in the Murray-Darling Basin. Senator Wong said, 'We have to change the architecture, the governance and the management of the river.' Then she said that the federal minister would overrule any other entity dealing with the Murray when she said, 'with the commonwealth minister having the final determination on the basin-wide plan, which is the significant important reform that COAG achieved'.

The Hon. P.F. CONLON: On a point of order, apart from taking a long time, the Leader of the Opposition does not need to yell—no-one else is yelling.

The SPEAKER: There is no point of order.

The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change) (14:43): I think all of us can see the phoney anger of the Leader of the Opposition. Basically, his position has changed from day to day but his anger stays the same. We remember the barking chihuahua and so will you, let me promise you that. Let's just go back to the beginning of last year. The former prime minister of Australia, the Hon. John Howard—and I see he is being mooted for an Order of the Garter—

The Hon. P.F. Conlon: I thought Downer should get that.

The Hon. M.D. RANN: That's right. I thought that Alexander Downer had also applied. The fact of the matter is that over a year ago, the former prime minister, John Howard, suggested that there be a federal takeover of responsibilities for the River Murray in which the minister for water would have sole responsibility; and that, of course, was Malcolm Turnbull, soon to be the federal leader of the opposition.

I said that we should have an independent commission that should run the River Murray, that it would report to a federal minister and that, if the independent commission was ever to be overridden by the federal minister, he or she would have to walk into parliament and explain why they had gone against the independent experts. That is what I announced last year. I remember

seeing a cartoon in *The Australian* with me sitting on a branch in the middle of the river and left out to dry.

That is exactly what we got support for: I got support from former Queensland premier Peter Beattie, I got support from Morris Iemma, and I got support, too, from the then prime minister, John Howard. What happened after the intransigence of Victoria is exactly what I had been lobbying and advocating for. The federal minister, under both models, always had the right to override, but had to explain to the federal parliament if he or she ever went against the advice of the commission, and the advice of the independent commission then had to be made public. I would say that is a substantial win. Maybe if the Leader of the Opposition's memory went beyond one day he might just be up to speed.

WATER RESOURCES

Mr WILLIAMS (MacKillop) (14:46): Is the Premier concerned that a water project he championed in Victoria has just been condemned by the Victorian Auditor-General?

Members interjecting:

Mr WILLIAMS: Just listen to—

The SPEAKER: Order!

The Hon. P.F. CONLON: I rise on a point of order. The Premier is plainly not responsible for the Victorian Auditor-General.

Members interjecting:

The SPEAKER: Order! I will hear the question and then I will make a ruling. Member for Mitchell, would you complete the question?

Mr WILLIAMS: Thank you, sir. The COAG memorandum of understanding recently heralded by the Premier gave \$1 billion to Victoria for its food bowl modernisation project. On 2 April I forewarned the house that this project would not deliver what it promised. Barely seven days later, Victoria's Auditor-General, Des Pearson, released a report that exposed the project as being badly costed and unlikely to deliver the water savings promised. He said:

At the time of the commitment to the project, there was no rigorous analysis to validate the expected level of water savings.

In his recommendations, Mr Pearson said that the government should increase transparency on the release of environmental flows and improve its reporting on water projects. However, on 2 April—a week before that report—our Premier told the house:

The project is expected to return 100 gigalitres—that is, 100 billion litres—of water to the system in environmental flows, in addition to the 100 gigalitres to be reinvested in sustainable industry. This is great news for South Australia.

Members interjecting:

The SPEAKER: Order! Just on the question of—

Mr Williams interjecting:

The SPEAKER: Order, member for MacKillop! I take it from the question that this is a project that the state government has put some resources into, so the question is in order.

The Hon. M.D. RANN (Ramsay—Premier, Minister for Economic Development, Minister for Social Inclusion, Minister for the Arts, Minister for Sustainability and Climate Change) (14:48): It is certainly not this state government that has put resources into the—

An honourable member interjecting:

The Hon. M.D. RANN: No, that is not the state government. The honourable member does not understand, he does not get it. The Auditor-General has come out and criticised a Victorian water project, that is true, but it is a different project. It is not the one announced by the Prime Minister the other day; that was Victorian food bowl project No. 2. His criticism was of Victorian food bowl project No. 1.

The federal government has said that it will not approve funding for No. 2 unless there is the most rigorous due diligence. So, the honourable member has misled the house by the nature of his question, because the Auditor-General's criticism was of a completely different project—and I suspect he knows that.

DISABILITY FUNDING

Mr PISONI (Unley) (14:49): My question is to the Premier. Will the Premier allow the Minister for Disability and the Minister for Education and Children's Services to use the 2008 Richard Llewellyn Arts and Disability Trust Fund to pay for a current position in the Department of Education and Children's Services?

The opposition has been advised that the Department of Education and Children's Services has applied for nearly \$60,000 to fund an already employed department curriculum writer to adapt the music program so that it can be used for children with disabilities. This amount is one-third of last year's distribution of grants to disabled artists.

The Hon. J.W. WEATHERILL (Cheltenham—Minister for Families and Communities, Minister for Aboriginal Affairs and Reconciliation, Minister for Housing, Minister for Ageing, Minister for Disability, Minister Assisting the Premier in Cabinet Business and Public Sector Management) (14:50): I will get some details about the specific question but, in a general sense, the Richard Llewellyn Disability Arts Trust was an initiative of this government that was incredibly well received by the disability community.

Members interjecting:

The Hon. J.W. WEATHERILL: We actually set up an independent board to administer it, and it will entertain applications and make its own judgment about it. It is completely at arm's length from us. The board will make its own judgment about where those resources should be applied. I will get an answer for the member because I do not know the detail of the particular proposal.

An honourable member interjecting:

The SPEAKER: Order!

The Hon. J.W. WEATHERILL: This has been an incredibly well-received initiative. It allows people with disabilities to do more than just survive—to explore the whole range of their talents and capacities. The trust has already distributed a number of grants that have made a very important contribution.

We do not know precisely whether this particular grant application has been approved and, from your question, I do not think that you suggest that it has. I will get some information about that and bring it back to the house.

HOUSING AFFORDABILITY

Ms BEDFORD (Florey) (14:51): My question is to the Minister for Housing. How is the government working with the development and building industries to supply more affordable housing?

The Hon. J.W. WEATHERILL (Cheltenham—Minister for Families and Communities, Minister for Aboriginal Affairs and Reconciliation, Minister for Housing, Minister for Ageing, Minister for Disability, Minister Assisting the Premier in Cabinet Business and Public Sector Management) (14:51): The South Australian government has been playing a leading role, not only in South Australia but also in the nation in innovation, in relation to affordable housing. I suppose that observation is not one that we make about ourselves; it is made by Julian Disney, the chair of the National Affordable Housing Summit, and the national housing minister, Tanya Plibersek.

We have been invited, together with the commonwealth, to write the national policy that will guide the new policies for the nation in relation to affordable housing. We had substantial input in relation to the design of a range of commonwealth policies, which have now become, of course, the policies of the new national government.

One of the things we have always believed is that there needs to be a partnership with a range of different players who have something to offer in terms of affordable housing. In a sense, in South Australia we have forgotten what we once understood, that is, that government needed to play a role—at least a facilitating role if not a direct role—in relation to the market to ensure that affordable housing objectives were delivered.

Simply leaving it to the market and standing back has never been the policy of this government in relation to affordable housing. One of the things we believed was that there was the capacity for the private sector to adjust the sort of supply it put on the ground to address the needs of South Australian citizens who were looking for houses.

It is very easy to tap into the usual ways of doing things and the usual processes for building houses. Many private sector builders have made a good business out of simply producing houses in the same sort of way they have for decades. What we were seeking to do was challenge them to do something different, something that addressed the needs of that group of citizens at the low to moderate income end who have been locked out of home ownership. This is very much at the heart of our housing plan for South Australia.

We have been forging ahead with new partnerships between government, non-government, private, council and community sectors. In relation to our government, we have not just used the existing instruments of housing policy; we have looked beyond the mere provision of public housing. We have looked at our home finance arm (HomeStart Finance), our planning system and the way in which our land releases are brought to bear and, as a consequence, we have seen some terrific results.

One of the things that we did was to challenge the private sector to do something about the way houses are designed. Just last week, I was pleased to officially launch the display home that Hickinbotham Homes have produced as part of its Affordable Architect series. A beautiful new home designed by award-winning architect Max Pritchard and featuring impressive environmental design features was opened in the Hawkesbury Park redevelopment area. They are designed to make the most of each property's solar orientation to improve natural heating and cooling, saving money and also, of course, protecting our environment.

The Affordable Architect series comprises 46 different designs that come in price points between \$67,800 and \$129,890; a third of the range retails for less than \$90,000. When you put that together with land packages in the north ranging between \$80,000 and \$120,000, you can see that we are beginning to be able to put house and land packages on the ground for around, or less than, \$200,000. That, matched with some of the HomeStart loan products, especially some of the concessional products—the Breakthrough Loan products—really does begin to bring home ownership within the reach of many low to moderate income earners.

The Minister for Infrastructure has heeded the calls of industry for land release and there is a substantial series of land releases around the Adelaide metropolitan area which will also address the issue of land prices which, of course, are a significant contributor. Through partnerships like this one at Hawkesbury Park, Housing SA is able to link eligible purchasers with land packages through our Property Locator website. I should pay tribute to Michael Hickinbotham for his tremendous work, and I hope that other private sector partners pick up the call.

CONSOLIDATED FINANCIAL REPORT

Mr GRIFFITHS (Goyder) (14:56): My question is for the Treasurer.

The Hon. K.O. Foley interjecting:

Mr GRIFFITHS: I am glad he is excited about it. Why were unexplained adjustments totalling \$322 million made to the government's recently tabled 2006-07 consolidated financial report? The Auditor-General qualified the Treasurer's 2006-07 consolidated financial report stating in his letter to the Under Treasurer that 'there is no objective information that supports' an adjustment of \$159 million to the net operating result and, further, 'the Department of Treasury and Finance could not explain the variance' of \$163 million to revaluation of capital.

The Hon. K.O. FOLEY (Port Adelaide—Deputy Premier, Treasurer, Minister for Industry and Trade, Minister for Federal/State Relations) (14:57): I will obtain an answer for the member on that detailed question.

PORT RIVER EXPRESSWAY

Dr McFETRIDGE (Morphett) (14:57): My question is for the Minister for Transport. What will be the cost of all stages of the Port River Expressway, and when will the project be completed? The Port River Expressway stages 2 and 3, jointly funded by the federal and state governments, were originally costed at \$131 million with a completion date of 2005-06. The latest government advice provided in the 2007 Major Developments Directory was that the project would be completed in April 2008, indicating that the opening ceremony should be completed by close of business today. The costing in the 2007 Major Developments Directory was \$178 million, but the federal budget papers costed the project at \$202 million, a cost blow-out of \$71 million, or 54 per cent of the original costing.

The Hon. P.F. CONLON (Elder—Minister for Transport, Minister for Infrastructure, Minister for Energy) (14:58): I am certainly going to have to check the detail of the member for Morphett's question.

Mr Williams interjecting:

The Hon. P.F. CONLON: What's that, Mitch? I would just be quiet after the day you've had. After the member for MacKillop's day, when he does not know one water project from another, I would just be quiet. In fact, I think they should all be quiet on their side. One member opposite does not know that Hugh Morgan never worked for BHP Billiton.

The Hon. K.O. Foley: He has been retired eight years.

The Hon. P.F. CONLON: He has been retired eight years. The other is asking questions about the wrong water project. I would just be quiet for a while if I were you two. Now, the member for Morphett talked about the Port River Expressway.

Members interjecting:

The Hon. P.F. CONLON: They are such a rude lot of people. They are so inconsiderate. If they could just forget the fandango for a little while and behave.

Regarding the Port River Expressway, I assume the member for Morphett is talking about not just the expressway to which we added, of course, two interchanges, which were not in their project. What happened was that they had this project, and the person building it came to see me and said, 'Look, this isn't going to work because they've left out two interchanges,' and I said 'Well, that couldn't be right, they wouldn't do something like that.' So I met the head of the department of transport, as he was at the time, and I said, 'Is this right?' and he said, 'Yeah, that's probably right,' and I said, 'Well, shouldn't we put them in?' He said, 'Yeah, we probably should because we'll probably have to put them in at some time and it will cost more.' I said, 'Well, maybe we'd better do that,' and we did that. But the other part of what I assume he is asking about is the bridges over the Port River.

Just before we get too carried away with cost blow-outs, let's talk about the two bridges. When they thought of these bridges, they were going to be opening bridges upon which they have had about seven positions.

Members interjecting:

The Hon. P.F. CONLON: Oh, yes they were, sunshine, yes, they were. And wait for it, they were going to be tolled and they were going to pay for themselves. Talk about a cost blow-out; the bridges were going to pay for themselves. It was absolute nonsense; and the way they were going to make the bridges pay for themselves was by funnelling all transport within miles over them, with a toll.

I am yelling, not because I want to, and I'd love to speak quietly because I do believe I have a very attractive voice. I do have a most attractive voice. Women say I have a beautiful voice; they listen with their eyes closed. They tell me that's why they close their eyes.

The Hon. K.O. Foley: They close their eyes because you are ugly.

The Hon. P.F. CONLON: I will have you know, I have often fallen victim to my own fatal charm, but let's get back to the subject. I do think the Leader of the Opposition does have somewhat of an obsession with me, and I can't blame him. I will look carefully at this, but before we talk about things costing too much, let me—

Ms Chapman: How much and when?

The Hon. P.F. CONLON: 'How much and when?' Goodness me, she has got a voice like an angle grinder. I'm sorry, but that is the objective term.

The Hon. K.O. Foley: It gets worse.

The Hon. P.F. CONLON: It does get worse: it goes on forever. But let's not forget that the original proposition of the opposition when in government about the two bridges was that they would be open, they would be tolled and they would pay for themselves. One of the things that increased the cost of the bridges is that we took the tolls away. The decision of the Premier to take the tolls away did increase the cost.

An honourable member: A good decision.

The Hon. P.F. CONLON: And we think that was a good decision. As to when they will be finished, I will say this: they will be finished later than we would like and we originally forecast, but—and wait for it—the important date for the bridges, particularly the rail bridge, has been the completion of the deep sea grain terminal. I tell you that being built by the private sector is running much later than our bridges, much later.

So while we would like it to be finished, the fact is that the private sector is running much later—and the member for Schubert knows this. If he turns around, he'd acknowledge it. He knows this is the case, so therefore I am not too concerned about that, although we are always disappointed when things do not come in at the time we have set them. I will look carefully at the details, but the nonsense of the opposition is exposed by the answer I have already given.

OAKLANDS PARK RAILWAY STATION

Mr HANNA (Mitchell) (15:03): How can the Minister for Transport say today, on a visit to the newly upgraded Oaklands Park Railway Station, that this project has been completed on time and within budget? In a media release dated 6 April 2005, the minister stated that the \$7 million upgrade of the Oaklands Park Railway Station would be completed 'by the end of 2006' and in his own media release issued today, the minister values the final cost of the upgrade at \$8.5 million; well over the \$7 million budget.

The Hon. P.F. CONLON (Elder—Minister for Transport, Minister for Infrastructure, Minister for Energy) (15:04): It is a shame, but I do not know why the member for Mitchell has to do this. He has something added to his area to assist his people. I do not know why he wants to do this, but there are two things: I did not actually say in the press release that it was finished on the original time schedule, because that would not have been true, and I did not say that.

I say two things: one is that the original time scale was not met, one reason being that the member for Mitchell held a public meeting and wanted more consultation on it. There he was at a public meeting with all these people saying there had to be more consultation with the community, and lo and behold, what did I do? I did what he asked for. I'm sorry, I do apologise to the member for Mitchell. I'll try not to do what he asks for in future.

Secondly, on cost, if you read the press release you will see the cost of the interchange was \$6.8 million—and I am not just telling members about it now; all the Liberal members in the Public Works Committee got it. Because we were doing that work, we incorporated about \$1.7 million of other works, including some level crossing upgrade out of the Minister for Road Safety's budget and some other works on the line which, because we were working on that line, it was good to do at that time.

An honourable member interjecting:

The Hon. P.F. CONLON: Just listen. All the members of the Public Works Committee have been advised of that. None of the Liberal opposition has suggested what you have suggested—perhaps because they have better information.

VICTORIA PARK REDEVELOPMENT

Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (15:05): My question is to the Minister for the City of Adelaide. Does the minister believe that the 11-month time line to assemble and disassemble the temporary grandstand fits with her demands made in her public submission to the Adelaide City Council? In the minister's submission to the Adelaide City Council she said:

I believe that any negotiations with the lessee should include a time limit for removal of temporary infrastructure.

The Hon. J.D. LOMAX-SMITH (Adelaide—Minister for Education and Children's Services, Minister for Tourism, Minister for the City of Adelaide) (15:06): I thank the deputy leader for her question. She is, of course, referring to the usual yearly activities. Clearly, the first year is not a usual year. There is a particular extra time delay in digging trenches and putting in wiring, and I expect everyone would understand that the first year is quite different.

LOCAL GOVERNMENT RELATIONS

Mr O'BRIEN (Napier) (15:06): My question is to the Minister for State/Local Government Relations. Can the minister advise the house how the state government is supporting local government in its ongoing efforts to strengthen leadership with local councils?

The Hon. J.M. RANKINE (Wright—Minister for State/Local Government Relations, Minister for the Status of Women, Minister for Volunteers, Minister for Consumer Affairs, Minister Assisting in Early Childhood Development) (15:07): I thank the member for Napier for his question and acknowledge his longstanding interest in local government issues and his continuing work with local government. The state government is pleased to support local government in many ways and, in particular, has supported the South Australian Local Government Managers Association in the work this organisation does to constantly improve standards of leadership and management in local government here in South Australia. The LGMA runs a range of leadership programs and provides training opportunities for those in local government and also recognises the outstanding work by leaders in the local government sector.

I was pleased to attend their annual Leadership Excellence Awards function just a couple of weeks ago. Innovative leaders and outstanding initiatives in the local government sector were recognised, and awards were presented, including for Excellence in Sustainability within Local Government, sponsored by the state government (the Department of the Premier and Cabinet) and awarded to the Barossa council for its Barossa Bush Gardens, which has been instrumental in saving a number of species of plants and, importantly, has involved something like 150 volunteers. Zero Waste SA sponsored the Excellence in Waste Management within Local Government Award, which was given to the City of Burnside for a biobasket trial that demonstrated that a further 8.6 per cent of household waste could be processed in the green organics waste stream. I commend these and other councils for their outstanding work to progress environmental issues.

This year I was particularly pleased to sponsor and present two awards—one to the LGMA Challenge champions, won by an enthusiastic team from the City of Marion and sponsored by the Office of State/Local Government Relations; and also the inaugural Award for Excellence in Advancing the Status of Women in Local Government.

Mr Pengilly: What about one for men as well, next year?

The Hon. J.M. RANKINE: Don't be so petulant. Interestingly, we have about 20 per cent of women in leadership positions in local government, yet the majority of awards were won by women. What does that tell you? Members opposite need to think about their track record with respect to supporting women. Look at the number of women on the benches opposite—it is not good, and it is not looking good for the future.

Members interjecting:

The SPEAKER: Order!

The Hon. J.M. RANKINE: Have you got them lined up for Flinders?

The SPEAKER: The house will come to order! The minister.

The Hon. J.M. RANKINE: Members opposite have a very poor record, so I understand their embarrassment when we talk about supporting women. This particular award for advancing the status of women in local government recognises individuals or groups within councils that have implemented corporate process improvements, projects or initiatives to further women's participation in local government. It is designed to encourage councils and local government bodies to focus on innovative and practical ways of supporting and advancing women.

As a result, the City of Onkaparinga was the winner of that particular award. That council has had a longstanding commitment to supporting the advancement of women. The council provides, for example, paid maternity leave and parental leave, job sharing and accelerated progressive arrangements for part-time employees. Women are also given targeted development opportunities and are actively encouraged to apply for senior positions in council. As a result, the City of Onkaparinga has boasted 40 to 50 per cent representation of women in management positions for over a decade. This is an example for local government. It is an example that those opposite could take up as well!

Advancing the status of women is not only an issue for local government, it is an issue for all of us. It is not just about equity and equal opportunity: it is one of economic survival as well. It was pleasing to note that women were successful finalists in many of the other award categories, with Heather Barclay of the City of Gawler winning the Emerging Leader of the Year Award, Adelaide City Council's Kate Fleetwood winning Risk Manager of the Year and Barbara Chappell of the City of Onkaparinga winning the Leadership and Management Excellence Award for metro councils.

I am also pleased that the minister's State/Local Government Forum has recently put the issue of women in local government on its agenda, and, as a result, a joint working group has been established with the Local Government Association, state government and local government management and council involvement, again, to further progress women in local government. This group is leading the work to identify strategies and projects, and I would like to take this opportunity to congratulate all award recipients on the night.

GRIEVANCE DEBATE

SCOUTS YOUTH TEAM CHALLENGE

Mr PISONI (Unley) (15:13): On Saturday 6 April I was privileged to attend the SA Scouts Youth Team Challenge at Woodhouse. More than 1,000 people aged between six and 18 took part as did, incidentally, 1,000 scout leaders and 500 parent volunteers. One parent volunteer was a former employee of mine whose daughter has been involved in scouts for many years, and also an old school mate I had not seen for close on 30 years. The large volunteer input is to be applauded. Although they can be challenging, the activities are designed to broaden the participants' skills and personal qualities in leadership, communication, resilience, teamwork, risk assessment and, most importantly perhaps, the acceptance of responsibility for themselves and those around them.

As the shadow minister for youth, education and small business (and before entering politics having trained 20 apprentices of my own), it became increasingly apparent to me the positive link between building these important skills in our youth and later success in the workforce, not only because of the general quality added to their lives but because the skills and qualities nurtured in this way are those that employers are seeking in a competitive and challenging career market.

Also, of course, at a time when we are focusing on problems of childhood obesity, the youth challenge, and similarly active programs promoting the scouting movement are to be actively encouraged. The scouting movement has a long and credible history of fostering the qualities which turn young people into fine young citizens of our community. Of interest, the scouting movement in Britain has seen its largest growth in 20 years, adding 15,000 members in the past 12 months. The British Scout Association believes that this can be partly explained by the backlash against what has been termed as a 'cottonwool culture' that has stifled this kind of active, challenging activity promoted by the youth team challenge.

At a time when even school programs such as the Premier's Be Active Challenge have significant computer-based components, it is important to take the recreation time of our young people and encourage them to participate in truly active outdoor activities. Certainly my own horizons of adventure were expanded markedly at the Woodhouse facility. Equipment was tested to its limits by my attempts (and my weight, of course) at rock climbing and horizontal bungee jumping. It was not until after I completed the rock climbing exercise that I was told that the support straps had a weight limit of 90 kilos, so I was certainly glad I did not fall off.

Other activities include bridge building, GPS orienteering and cross-country skateboarding. In fact, I became lost in the maze of mirrors. If it was not for my scout guide, I am sure I would still be in there today. It was a challenge too far. Certainly, in our local education system we have a debate about dumbing down. I think activities such as the Scouts Youth Team Challenge illustrates the benefit (within reasonable boundaries) of the acceptance of challenges, rather than the acceptance of limitations. Removing the element of challenge from life, as in the education process, is a short-term fix only. Today's school students and scouts are tomorrow's bosses and workers.

Setting challenges and a reasonable bar for achievement should be seen as helping young people to prepare for a fulfilling and independent life. We should assist those who have difficulty keeping up, not penalise them by lowering the standards and effectively holding them back. Dumbing down is not the responsible answer for our kids or our society. There is obviously a need to ensure that any future SACE and move towards a national curriculum moves towards rising the bar and assisting students to reach it, not reducing academic standards. The key thing that came out of this weekend was that challenges were given to kids and kids were very happy to take on those tasks and accept those challenges.

A note of thanks also: 2008 marks the 100th year of scouting in Australia. There is no doubt that the scouting movement, as well as providing a lot of fun, has made a significant contribution to the education of young people, improving their skills and self-esteem, and will continue to play an important constructive role in the future, and I congratulate it.

MCLEOD'S DAUGHTERS

Mr PICCOLO (Light) (15:18): Today I wish both to acknowledge and to celebrate in the success of the Australian television series *McLeod's Daughters*. The hit TV series was developed by Posie Graeme-Evans in the early 1990s for her company, Millennium Television, in conjunction with the South Australian Film Corporation. The idea behind the television drama was based on two half-sisters running a property they both inherited from their father. The idea was pitched to the board of the Nine Network who agreed to make it into a telemovie in 1996. Legendary Australian actor, Jack Thompson, starred as Jack McLeod, Kym Wilson starred as Tess and Tammy Macintosh starred as Claire.

The telemovie was shown on Mother's Day in 1996. The Nine Network then agreed to commission a 22-episode series in late 2000 in response to the telemovie. The first episode of *McLeod's Daughters* aired on 8 August 2001 and was the third most watched Australian TV drama series in 2002. Series one was sold to the giant American cable network, Hallmark, which successfully debuted it in the UK in 2001 and throughout Asia in 2002. The series was also picked up by TVNZ in New Zealand, where it became an instant hit with viewers. In addition, the series has been broadcast in more than 200 countries, including Germany, Austria, Switzerland, UK, Netherlands, Belgium, Canada, Hungary, Italy, Estonia, Bulgaria, Poland, Israel, South Africa, Romania and so on.

McLeod's Daughters has been nominated for and won numerous Logie Awards. In total, the series has been nominated for 36 awards and won a total of eight, including a number of most popular actor, actress and most popular drama.

McLeod's Daughters has been filmed on a working property located in the Light Regional Council district between the townships of Gawler and Freeling. Although originally part of a 30,000 acre property, Kingsford has been used in recent years by the South Australian government as a wheat research station, and it was subsequently purchased by the Nine Network in 1999 for the series. The historic house was built from Edinburgh sandstone and transported to Australia as ship ballast. It took over 30 years to build the homestead and it was finished in 1856.

According to Posie, the series was successful because the timing was right for this type of show—a rural-based series which showcases a predominantly female cast and tells stories that reflect the lives and desires of contemporary Australian women. Who could forget episode 186, appropriately entitled 'Ever After', in which Stevie and Alex finally tie the knot?

McLeod's Daughters is the first prime time drama series to be filmed entirely in South Australia. Sadly, though, on Tuesday 20 November 2007 Channel 9 announced that series 8 would be its final. Creative and executive producer of *McLeod's Daughters*, Posie Graeme-Evans, said at the time of the announcement that she had always maintained that the series should finish on a high whilst still being loved by its audience, and popular it was. On Friday 14 March of this year, the Gawler Health Foundation staged a celebration for the series which was attended by its cast and crew, and over 3,000 local people turned out to say thank you and farewell to them. This was on a day when the temperature rose to 40°C.

I was lucky enough to have a good working relationship with the production. I was able to go on the set, twice when I was mayor, and on two occasions with the Premier. The actors and crew and the production team were always generous with their time. They have supported numerous local community events and activities, including the Gawler Horse Festival and the launch of the wedding dress display at the local Gawler dry cleaner, etc.

While the series has been very important to the district, the state government has also supported the series with an appropriate assistance package. The Premier in his capacity as Minister for the Arts has lent his strong support to the series. Each series has reputedly injected \$1 million into the local economy of Gawler and surrounding districts.

I would like to put on record my thanks to the producer, Ms Vicki Barr, who has always been very happy to work with local councils, the community and me for the benefit of the community as a whole and the series itself. The series will leave a wonderful legacy and its tourism benefits to the area continue today.

AMERICAN ARMY SMALL SHIPS

Mrs PENFOLD (Flinders) (15:22): A largely unknown aspect of the Second World War is an amazing story of youthful courage, dedication to a dangerous mission and putting others above self. The service of these men has never been properly recognised; however, those who are left

and their families continue to fight for the recognition they believe they deserve and need to be supported.

I have written to the federal Minister for Defence, the Hon. Joel Fitzgibbon, supporting a review and asking for an official citation and/or the Pacific Star Medal to be awarded to the people concerned. I have asked that others also write. I refer to the men who served in what was called the American Army Small Ships World War II.

In 1942, the battle for the Pacific was at its height and the Japanese forces were on Australia's doorstep. Ships were desperately needed to supply Australian and American troops in New Guinea. Australia's Merchant Navy answered the call to arms from around the Australian coast with trawlers, schooners, tug boats, ferry boats, and even an ancient paddle wheeler. These ships' sailors, some as young as 15, others old and infirm, all came under American command when General Douglas MacArthur was appointed Supreme Commander, South-west Pacific area. I understand that MacArthur was almost universally disliked by those under his command because of his flawed personality, lack of military judgment and lack of concern for his troops.

Three men from Ceduna on Eyre Peninsula—Melville Dawes (who is still alive), Alan (Ginger) Lucas and George Walport (both of whom are deceased) served in the small ships. They were three of about 3,000 Australians deployed to serve with the US Army's Small Ships Section. Their role was crucial, their efforts heroic. They were in the front line or even behind enemy lines taking troops, guns and supplies to the beach heads under exposed and sometimes impossible conditions.

I understand that only about 140 of the 3,000 or so men who served in these ships are still alive. In a speech made on 24 April 1998, the then president of the Mariners Association noted that 55 merchant ships were sunk in Australian waters in the Second World War and another 25 were attacked. He said that about one-quarter of the seamen died—a higher proportion than any of the other fighting forces, and these figures are only for Australian waters.

Melville said their work was some of the most dangerous in the war, going in under cover at night to deliver food and munitions to the Australians and Americans at the start of the Kokoda Trail and in other battles around Papua New Guinea and neighbouring islands. Much of these waters were uncharted, and the small ships faced reefs and unknown obstacles, tropical storms and enemy attack; however, they could go where large vessels could not, they could pass through enemy lines when warships could not.

Melville went to sea at the age of 13 on the vessel *Coorabie*, that originally carted bagged wheat from Fowlers Bay and Streaky Bay to the port of Thevenard near Ceduna for shipping overseas. On his 15th birthday he found himself still with Australians, but under American command in the battles of Buna, Sallanada and Gona.

Melville has medals from the Australian government for the time he was in the Australian Merchant Navy before the Americans took over, but the service under the US Army has not received recognition from Australia, meaning that many of his colleagues have received no Australian recognition at all. It took a number of these men 40 years to receive even a discharge from the American government. However, there have been some medals and recognition in the form of a thank you citation signed by US President Harry Truman since then.

There was a degree of jealousy towards the small ships sailors from the mainstream defence forces and ex-personnel, which continued after the end of the war. This jealousy arose on various counts. Americans were paid £51 a month compared with the Diggers, who were paid £12 a month. After the war the Americans had everything—cigarettes, chewing gum, silk—and, to quote one source, 'they lured over 60,000 Australian women to America as war brides'. So despite being Australians, the 3,000 who served in the small ships fleet, risking their lives for their country, were ignored even by the RSL, according to Alan Lucas's son Lyle.

My father served in New Guinea, and would have been just one of the Australian soldiers who benefited from their service, without which we may well have become a Japanese country. I for one would have been unlikely to have been born.

The US Army Small Ships Association installed an apprentice seaman's plaque at Walsh Bay, Millers Point in New South Wales, which was unveiled on 8 March 2008. The association's president, Mr Ernest Flint MBE ED, commented that it was an opportunity to tell a little-known story of the small ships, when 15 and 16 year old boys played a vital part in the defence of Australia. May we all honour them, and may their efforts to gain recognition for their service to their country be successful.

Time expired.

TRADE UNION MOVEMENT

Ms BEDFORD (Florey) (15:28): Today, I would like to follow on from my last opportunity to speak, at which time I was recounting the circumstances surrounding the 1998 waterfront dispute involving the MUA. The changes workers had already begun to adopt were not enough for some, and the waterfront became a flashpoint for savage reforms, beginning the sorts of changes that the previous Howard federal government's controversial WorkChoices legislation—soundly rejected by the Australian people at the federal election last year—hoped to implement.

Getting the message to Australian workers about how the proposed Howard Liberal legislation would impact on them required much effort over a long period of time, and that work was wholeheartedly supported by the national, union-led 'Your Rights at Work' campaign. The lesson from both the battle on the docks and the defeat of the Howard government and its industrial legislation is clear—governments need to negotiate to achieve reforms. The union movement formed to protect workers rights, to make sure that they had a fair go. It understood that, to have a say in parliament under our system of democracy, it needed to become political and lobby politicians.

While the world, and world politics, has changed, some things have not. In any negotiation, all parties must be involved in a final agreement. While some may not have liked the outcome, at least they took part in what, hopefully, was a democratic process based on sound information and logic. As we saw in the battle for the docks, and as we should by now have learnt from all sorts of major conflicts (including world wars, the Berlin Wall, and the troubles in Ireland), some sort of settlement is eventually reached. The real proof of how well we have read history and learnt from it is how few people get hurt in reaching those agreements.

Speaking of people being hurt, I would like to inform the house of the ecumenical service held with the kind assistance of various church organisations at Pilgrim Uniting Church this week to commemorate workers who have lost their lives on the job. International Workers Memorial Day is marked each year on April 28. Members of Victims of Industrial Death (VOID is its apt acronym), capably led by Andrea Madeley and her committee, along with representatives of the Asbestos Victims Association, the Asbestos Disease Society of South Australia, SA Unions, the government and SafeWork SA all attended.

In his article in *The Advertiser* that day, Tom Phillips, the presiding member of SafeWork SA's advisory committee, stated that in 2004 the Australian Safety and Compensation Council examined the annual economic cost of workplace injury and illness nationally and valued it at \$34.3 billion (5 per cent of GDP), with a further \$48.6 billion representing the cost of pain, suffering and early death. Sadly, he notes in the article that there is no reason to believe that things have changed since then.

Workplace safety is a different and separate part of the current debate around changes to WorkCover. Everyone at Monday's church service wants better preventative measures implemented as a priority so that no other family experiences the loss of a loved one as they have suffered and continue to suffer.

Mr Phillips outlines the measures in place, such as the industry improvement program, where workplaces over-represented in workplace claims are identified and worked with to reduce injury. This three-year project modestly aims to reduce by 4 per cent the incidence and cost of work-related injury and illness.

In addition, grants are in place to fund research into workplace health and safety issues, programs to educate school students on occupational health and safety, and a review of training for workplace health and safety reps and occupational health and safety committee members. These measures are in addition to daily monitoring.

In his article, Mr Phillips states that in just one day in South Australia a man's right hand was crushed while cleaning behind a running dough machine; a man was struck on the foot by a large sign he was helping to erect; a man fell from a roof while installing electric cable; a woman's foot was run over by a forklift; and rags ignited in a bin by sparks from a welder four metres away caused trouble. So, members can see that there is plenty of room for improvement.

Workplace safety must be a way of life for all of us every day and in everything we do, both before we start work and while we are on the job. It should not be something we think of only when time and money allow or, worse still, after an accident. South Australia's Strategic Plan sets the

goal of reducing workplace injuries by 40 per cent by 2012. If we can do this, numbers at the church service each year will not swell, and it will be, of course, the best way to ensure that WorkCover claims are reduced.

I remind members that May Day will be celebrated tomorrow. We will be holding a dinner with Sharan Burrow from the ACTU, and there will be a march at the weekend. I hope to see many members in attendance with their banners.

LOCAL GOVERNMENT

Mr PENGILLY (Finniss) (15:32): Tomorrow and Friday all 68 councils in South Australia come to Adelaide for their annual showcase, with a general meeting on Friday. It is a significant event in the life of local government and showcases just what it does in the state of South Australia with very little support and very meagre and limited resources from this state government.

I take my hat off to local government in this state for what it does. Its role has always been said to be roads, rates and rubbish. Indeed, that is a core part of its business, but much more than that is thrust upon councils to deal with. In addition, their members are all volunteers, although some get a meagre allowance; some get more than others; and some mayors get much more than other mayors, but that is the way it is.

It is important to note that, if you are elected to local government, you do not have to be of any particular sex: you can be male or female. Members are quite ably elected by the public of South Australia, who elect whoever they choose to put in. As I said in question time, just as the minister has put up an award for women in local government, I think it is only fitting that she should establish an award for men in local government because they do a jolly fine job as well. That does not bring into disrepute anyone of the other gender. I think it is rather a ludicrous situation.

The showcase tomorrow highlights all the good work councils do. It gives many of the councils an opportunity to catch up with government departments and (if they are lucky) ministers and address things that they want to progress. It is difficult for many of the councillors to come to Adelaide regularly; transport is indeed awkward. If you are in Ceduna, it is an extremely expensive exercise to fly, for example, and it is an eight-hour one-way drive or a 16-hour return drive. From the deep South-East, Mount Gambier, it is five hours and whether you be there or Coober Pedy, it does not matter much: it is a big effort. Indeed, it is an extremely expensive and difficult exercise for councillors in one area of my electorate, Kangaroo Island.

I think it is important that this parliament recognises what local government in this state does, and it is time that we stepped up and gave them the funding that they should have to go about their work. There are various suggestions of how we could do that. It has been suggested that we give them perhaps 1 or 2 per cent of the GST revenue. They have everything thrust upon them in the area of planning and they bear an enormous cost. The limited income they get from dealing with planning applications in no way does justice to the amount of money that they have to spend to go through copious administrative nightmares, with frequent pandering and to-and-fro with government departments through the planning process—that is something they have to live with.

Hideous costs have been thrust upon councils. Waste levies have been passed on to ratepayers and it is most unfair; indeed, I think it is most inappropriate. Councils collect NRM levies, and most people in the public arena look at the bottom figure on their rates notice and do not realise that the NRM levy is actually a cost that is being picked up to go to the natural resource boards. They think it is coming from the council, quite unfairly. That levy is not going into council coffers at all.

We hear that hackneyed phrase 'grassroots government'; indeed, it is very much grassroots government, and in most cases they do a magnificent job. We are fortunate in South Australia that we have not seen the catastrophes that have befallen councils interstate, such as Wollongong, where the council—a Labor-controlled council—has been removed. I think it would be a sad day if anything like that ever happened in South Australia. I am proud to have had a long career, some 17 years, in local government. It was a great period in my life, and I certainly learnt a lot of skills that I would not have learnt otherwise.

Time expired.

WORKING WOMEN'S CENTRE

The Hon. S.W. KEY (Ashford) (15:38): My grievance today centres surprising information I received last week, involving a proposal that has been put forward by our new federal government

to defund working women's centres around the country. I have to say that, having worked as a director of the Adelaide Working Women's Centre for a number of years some 28 years ago, I was really concerned to receive this information.

Members interjecting:

The Hon. S.W. KEY: Thank you. The issue was raised, certainly amongst the trade union movement and amongst the women's organisations, that if we did not have a Working Women's Centre in South Australia, we would have real issues with ensuring that the available services were joined up. Of course, the Working Women's Centre concentrates on supporting women who do not have assistance from anywhere else, so if a woman in the paid workforce is a member of a trade union or a professional association or has legal support, then the Working Women's Centre would rather that they followed through with that support. The Working Women's Centre concentrates on supporting women in the paid workforce who receive no assistance and, almost by the very definition of that service, one can imagine the type of cases that the Working Women's Centre is involved in supporting.

I know from my own experience as an advocate for that organisation that issues to do with workers compensation, unfair dismissal, sexual discrimination and harassment, and issues to do with underage workers, underpayment of wages and occupational health and safety issues—the ergonomic set-up of the workplace, just to mention one—were areas that the Working Women's Centre was involved in then and, sadly, is just as involved in now in 2008.

The Working Women's Centre has always been an organisation that has had an educative responsibility. I do recall, in my own case, having the opportunity to speak to all sorts of groups from the Kiwanis through to the Buffalo organisation, or Rotary organisations, local government, TAFE, universities and many high schools, and this was all over the state. We also had the opportunity to ensure that women in the paid workforce had a voice in the multicultural communities and also in the Aboriginal communities, which is a function that is still very important to the Working Women's Centre. More recently, the Working Women's Centre has taken up advocacy work for women refugees and new arrivals to this country who have had problems in getting support for the different work that they are doing in the paid workforce.

So, it is with great alarm that I hear that, if the federal government does go ahead with what I think is this inappropriate measure, South Australia's Working Women's Centre will lose \$97,000 in the next financial year. I guess the only thing to be cheerful about is that the Working Women's Centre in South Australia also has state government funding, and I understand it is held in very high regard in the industrial relations portfolio and women's portfolios in particular, because of the great work that it has done and continues to do.

In the case of the Northern Territory, I understand that, unless the Northern Territory government comes up with some funding, that Working Women's Centre will close. Having had the opportunity to visit the Northern Territory Working Women's Centre, as well as working with it, I point out that that will mean that many Aboriginal women, in particular, will not receive support on different issues and initiatives that come up at their paid workplace. One of the startling things about the Darwin Working Women's Centre is its outreach program and the fact that Aboriginal women feel very comfortable going into that centre or going to the meetings that are held in regional Northern Territory. It would be a very sad day if the Northern Territory Working Women's Centre were to close due to budget restraints. In South Australia's case, though, I think it can be absolutely assured that a number of members here will advocate for that funding to continue.

Ms CHAPMAN: I rise on a point of order and, in particular, I refer to standing order 121 which, as I remind the house, provides:

A member may not use offensive or unbecoming words in reference to the Sovereign or the Governor nor may the Sovereign or the Governor be gratuitously referred to for the purpose of influencing the house in its deliberations.

This morning, during private members' business, the member for Little Para addressed the parliament and made several comments referring to Mr Jimmy Barnes. She referred to his visit to the area of Elizabeth and, whilst she said quite a lot about Mr Barnes, I will simply paraphrase that which is relevant to the offence against standing order 121. She said:

It would be really good if Jimmy Barnes put his money where his mouth is and, if he really thinks these things, he should get involved. I noticed that His Excellency the Governor made the same comment.

She then goes on and refers to Mr Barnes again.

His Excellency is referred to in two respects: first, during this tirade against Mr Barnes but, secondly, I suggest, offending the second part of standing order 121. For consideration by you, Madam Deputy Speaker, in making a ruling on this matter, I am also happy to provide a copy of the 'Adelaide Now' *Sunday Mail* article referred to by the member for Little Para. There are four quotes in that article which refer to Rear Admiral Scarce, and the only quote that I am aware of in the article that is relevant to this is—

The DEPUTY SPEAKER: Order! Deputy Leader, points of order are supposed to be taken at the time of debate. Other concerns should perhaps be raised by means of substantive motion.

Ms CHAPMAN: Absolutely. I indicate that, immediately parliament resumed after lunch, I was reading a transcript for the purpose of question time and observed what I would see as a breach of standing orders. I approached the clerk and inquired of him as to whether this should be raised in relation to standing orders and he indicated that it was appropriate to deal with it at the end of question time. Grievances had commenced so I did not interrupt those, but that is one of the reasons I raise it at this time. The matter only came to my attention at the commencement of sitting this afternoon.

The DEPUTY SPEAKER: If you provide the comment I will take it under consideration. The Speaker has been briefed.

Ms CHAPMAN: Thank you.

The SPEAKER: I have had a look at the remarks of the member for Little Para. My reading of them is that what she meant was that she thought the Governor had agreed with the remarks of the member for Little Para. That was my understanding when reading what the member for Little Para said in her speech which, of course, is not in any way an adverse reflection upon the Governor—it is a positive one. I do not know whether that is what the member for Little Para meant. Either way, for the purposes of standing order 121, it is not offensive or unbecoming to say, to quote the member for Little Para, 'I notice that His Excellency the Governor made the same comment', so I do not uphold the point of order.

Ms CHAPMAN: I make a further observation, without in any way dissenting from your ruling. Sir, you may or may not have heard, but I had referred to the second half of standing order 121, which specifically reads, 'nor may the Sovereign or the Governor be gratuitously referred to for the purpose of influencing the House in its deliberations'. You will have an opportunity to perhaps read the document that I have tabled, which is the article in which the reference is made to the Governor, the member for Little Para having said, 'I notice that His Excellency the Governor made the same comment.' The only comment I am aware of that was published is that appearing in the document that has been tabled, and that certainly does not suggest anything about putting his money where his mouth is.

The SPEAKER: I thank the member for Bragg for clarifying that. I still do not uphold the point of order. I do not really see how, from what the member for Little Para has said, anyone might take that as invoking His Excellency's name in order to try to affect the deliberations of the house, so I do not uphold the point of order.

SUPPLY BILL 2008

Adjourned debate on second reading (resumed on motion).

(Continued from page 2976.)

Mr GRIFFITHS (Goyder) (15:50): It is my pleasure to have the opportunity to comment on the Supply Bill and to follow the Leader of the Opposition's contribution made immediately prior to the luncheon adjournment. It is interesting to listen to the level of dialogue that occurs between the Treasurer and the leader. There is no doubt that we have a perspective on things and the Treasurer has a different perspective on things, but that is what debate encourages, so let us hope that it continues.

I do indicate that the leader has offered to me the opportunity to be the lead speaker for the opposition on the Supply Bill. I am not sure how long I will go, but we will see. There is no doubt that even in my relatively short time in this house (only 25 months) the budgets produced by the government over the last six years do provide a lot of information and comment. This Supply Bill, as introduced by the Treasurer on 1 April, will make provision for an amount of some \$2.3 billion to be available for expenditure before the formal adoption of the budget.

There is great concern within the opposition about the level of debt in South Australia. The current figure, if we look at the forward estimates from the budget which was adopted last year, shows that by 2011 state debt was actually forecast to be \$3.4 billion, unfunded superannuation at that stage was \$6 billion and the WorkCover unfunded liability was, I think, \$843 million as at 30 June. The 31 December figure increased that to \$911 million. I might have that slightly wrong. Yes; it might have been March. We now know that it is \$925 million. On top of that, we also have the fact that the level of liability for public sector employees for workers compensation is in the vicinity of \$400 million. So, quite easily, we are looking at \$1.3 billion that is over there, too.

This is more than the State Bank debt disaster during Mr Rann's first attempt at being in government in the period up to 1993; and that is why we in opposition take up this matter quite often. We are sincerely and very deeply concerned about the future financial position of this state. Net government debt is forecast to increase tenfold from this year through to 2011. However, the debt delivers very little in long-term value to our state. The fact is that the government plans to spend more than it is earning and it needs to borrow. The debt is propping up a big spending budget on recurrent costs as much as it is in infrastructure, and that is where there is a lot of concern on our side of the house.

Debt is appropriate, I will not deny that. However, it is important that debt is used to fund infrastructure, because infrastructure is what will be critical to the future of the state. We know from what we hear already that for the mining opportunities that abound in this state to come to fruition something like \$20 billion of infrastructure is required. There will be an expectation that much of that will have to be funded by the state government, and we just question sometimes from where the resources will come, because it has been proven over the last six years that this government cannot manage financially, but we will talk about that a little later.

The debt is as a result of bad management with blow-outs in the day-to-day costs and will be difficult to sustain if economic conditions turn down. This is something from notes that were prepared early in this financial year. We all know that since January this year economically across the world there has been a significant downturn. Those of us who have investments in superannuation or shares would have noted a considerable drop. The share market, I think, is trading at about 5,600 indices points down from record levels of about 6,500 some three or four months ago. It is an enormous factor, and it has made a difference to the returns financially of the state funds invested, too. I think that Funds SA has invested something like \$13 billion.

The budget for 2007-08 was a disappointment to those of us on this side of the house, and a disappointment, we think, to many people in South Australia. There was nothing in it for families, pensioners or small businesses except higher taxes and charges. Motor vehicle registrations went up and the cost of buying a house went up, as did the hundreds of state fees and charges. In prosperous economic times the Rann Labor government is putting up the fares on public transport (by almost 8 per cent this financial year). Water supply charges increased by 7 per cent. We know that has gone up again. We know that from 1 July water supply charges will increase by 12.6 per cent, and we are told that it will continue to increase by a similar amount for each subsequent financial year until, I believe, 2012 when it will be reviewed again.

Speeding fines have increased by a staggering 20 per cent. All these increases were well and truly above inflation. The Premier promised that there would be no privatisations, but we know that the new \$1.7 million Marjorie Jackson-Nelson Hospital will be privately funded and privately owned. Who will make money out of that? Will it be the big banks from Sydney, Melbourne, or even New York? We are not too sure. The superschools will be privately owned as well, as will the new prisons. We believe that these are all broken promises and it is important that we on this side keep the government accountable.

There have also been delays. The new hospital will not be ready for nine years. We are now told that the Mount Bold reservoir is still under investigation—somewhere in the Mount Lofty Ranges. There is no surety that Mount Bold will be the site. It will be a \$1 billion project, as I understand, to increase the storage capacity, but who knows when it will happen, if at all. Water security has been one of the most pressing issues facing this state, there is no doubt about that. As a result of a proposal mooted in the budget this year, we now have a commitment from the government that \$10 million is being expended on the trial plant at Port Stanvac. We are told that a 50 gegalitre desalination plant will cost \$1 billion to construct, and I believe \$300 million to connect to the storage facilities and the network.

Ownership is an interesting point. The Treasurer has given some details on that, but what is interesting are the increases in water charges over the next five or so years, starting with 12.6 per cent in the 2008-09 financial year. We have done some sums on that and, based on

consumption levels, we believe that the additional amount of revenue raised by SA Water will be in the vicinity of \$500 million. The Treasurer has given a commitment to quarantine those funds to ensure that they are available for the desalination plant. Let us hope that happens.

Public transport reform has been officially abandoned in the 2007-08 budget. It is part of the challenge for all governments over the next 20 years to ensure that the public transport network is there, but we still have the oldest diesel rail network in Australia, although an upgrading of a few buses might be happening. South Australians are truly disappointed with our road network. Many of us travel extensively around the state—and I know many members in this place do a lot of driving per year. The member for Hammond (who is in the chamber) would probably travel at least 60,000 kilometres per year. I know that I travel 60,000 kilometres per year. People within my electorate come to me all the time very concerned about not only the level of maintenance that takes place but also the lack of real investment in road infrastructure. They want to see something happen.

There are roads that are terribly thin and the shoulders are quite raised or broken off. There are many potential hazards on the roads. Many people who drive around South Australia are not familiar with the condition of the roads and, if they are towing a caravan or driving a truck and suddenly they hit a big pothole, anything can happen. The condition of many roads is just disgraceful. We know from figures provided by the RAA prior to the 2006 election that, at that stage, there was a backlog of \$200 million in road maintenance, and it certainly has not improved. All we have in the budget for 2007-08 is \$3.5 million per year over four years to try to fix the \$200 million backlog. I do not think it adds up.

I refer to some specific comments which have been made about whether the budget is in surplus or deficit. We on this side have asked the Treasurer quite a few questions about this. He defends his position and enforces the fact that the budget is in surplus. However, the facts are that in two of the three normally accepted accounting measures, the budget is in deficit. He will dispute this, but it is interesting that, after the 2002 election, the Rann Labor government said that it would use the accrual accounting measure, which is net lending over borrowing, and that they would produce surplus budgets using this measure.

This graph shows that, using the Rann government's original preferred budget measure—that is, net lending over borrowing—the budget is truly in deficit. I will emphasise a few figures to demonstrate it: 2006-07, a deficit of \$176 million; 2007-08, it is estimated to be \$428 million; 2008-09, \$383 million; 2009-10, \$167 million; and 2010-11, \$314 million. Using a cash measure, which the federal government uses, the Rann government is also in deficit. That is the second accounting measure. During these buoyant economic times being enjoyed by federal government and state governments and, indeed, our nation in many ways, the federal government has been able to repay debt, it has been able to plan for the future, whereas the Rann government has had cash deficits totalling \$1.423 billion from the 2006-07 original budget figures out to the 2010-11 estimates.

When the original measure of budget net lending/borrowing rapidly turned from surplus to deficit, the Rann government decided to ditch this budget measure and use the only measure left that showed the budget being in surplus—the net operating balance. The budget estimate for the 2007-08 financial year was \$30 million; for 2008-09, it was 205; for 2009-10, it was 336; for 2010-11, it was 278. They are the surplus figures that the Treasurer was quoting in the preparation of the 2007-08 budget. Again, we emphasise the fact that that is only one measure of surplus or deficit. In the two measures, including the one he announced after the 2002 election that the Rann Labor government was going to use, a deficit situation does actually exist.

If I can talk about the net debt as it relates to South Australia, budget figures show that the former Liberal government reduced the Rann government's debt and the State Bank debt in 1993 from \$11.6 billion down to \$3.2 billion in 2001. That was not achieved easily. I was not in this place but I had a perspective on it as a citizen like all of us did and I was worried about the financial position of our state. I know that very hard decisions were made by the Liberal government at that stage. Those decisions affected many people but they had to be made to ensure that not only were we going to put this state on a sound financial footing again but we were going to give people real hope.

In making those hard decisions, we reduced the 1993 debt from \$11.6 billion down to \$3.2 billion in 2001, and we have seen that drop a little bit and I respect that fact. The 2005-06 estimate of state public sector debt was confirmed as being \$2.126 billion, but it is on the rise now;

it truly is. If we go out to the 2010-11 forward estimate period based on the budget figures prepared for this financial year, we find that state public sector debt has gone to \$3.36 billion.

We also note that general government net debt, which is a component of state public sector net debt, is currently forecast to multiply—and this is an astounding figure over the next four years—by 10 times. It is going to increase from an estimate of \$151 million in 2007, jumping up to the estimate of this financial year as at the budget figure preparation of \$618 million then increasing through to \$1.01 billion in 2009; in 2010, it is going to be \$1.165 billion; and, in 2011, the multiplication by 10 times comes into effect at \$1.443 billion. Hard decisions were made by the previous government, but it is obvious that this time around it is the opportunity to borrow for recurrent expenditure and not enough of capital investments that is actually occurring.

I want to reflect on a speech that was made by the previous federal treasurer, Peter Costello, on 1 June 2007 when he talked about the financial position of the states. He advised that the states are 'not funding investments from their revenues' and stated:

The States are borrowing—drawing down on savings rather than adding to them—and in this respect adding to pressure on monetary policy...The windfall from the GST revenue and property taxes has been spent in recurrent expenditures.

That is what we are trying to highlight that it is recurrent expenditure and not capital works. He said further:

It has not been allocated to investment...This is why the States have insufficient operating surpluses to fund their planned infrastructure spending and are now engaged in debt financing. Planned state infrastructure spending is also, to some extent, making up for under investment in infrastructure through the early part of the decade...During the longest economic expansion in Australian history, debt will be rising at the state level.

It is important to recognise that. It is not just South Australia; it is the other states of this great nation (also in the hands of Labor) where debt is rising at the state level. From memory, and I will correct this if I am wrong, but I think I have read a figure where in about the 2010-11 period state debt is anticipated at being at something like \$70 billion. It is absolutely frightening.

In an interview with *The Australian* on 12 August 2006, the then outgoing Reserve Bank governor Mr Ian Macfarlane said that the return of states to deficit spending was an issue that could affect monetary policy in the future. So, here you have the then governor of the Reserve Bank and the then federal treasurer Peter Costello both issuing warnings about the financial position of not just South Australia but all the states and it has not been listened to. We on this side keep talking about it but not enough people are actually taking it up.

I want to provide an overview on taxation increases since the 2001-02 financial year. It makes very interesting reading because it sets the scene for what the funding policy of the Rann Labor government truly is. In 2002-03, total tax revenues amounted to \$2.431 billion. The budget papers from 2007-08 estimated that income from tax revenues was going to be \$3.243 billion. You might wonder—that is a lot of money—but it is actually a 48 per cent increase. Over six years, that is an average of an 8 per cent increase per year. We now know from the mid-year budget review that it has been a 56 per cent increase in state taxation revenues and that is of concern to people.

If we look at what the general government taxation revenue is—and I will break this down into the components that make up state taxation revenue—payroll tax (again starting from the 2002-03 financial year following the election of the Rann government) was \$654 million. The 2007-08 budget figure estimate for that was \$853 million or a 42 per cent increase. As to taxes on property in 2002-03, the actual figure was \$838 million. The estimate for the 2007-08 year was \$1.28 billion or a 75 per cent increase.

The Hon. R.J. McEwen interjecting:

Mr GRIFFITHS: Yes, I know. Taxes on gambling in 2002-03 totalled \$340 million; in the 2007-08 estimate, it was \$406 million or a 30 per cent increase. Taxes on insurance in 2002-03 totalled \$254 million; in the 2007-08 estimate, it was \$296 million or a 33 per cent increase. Motor vehicle taxes—and the Motor Trades Association has been quite outspoken about its concern about the South Australian car industry becoming uncompetitive—in 2002-03 totalled \$343 million; in the 2007-08 budget figures, it was \$409 million or a 26 per cent increase. Overall, if we look at all those state taxation measures, it is a 48 per cent increase in six years.

It all demonstrates that the money is rolling in and the money is rolling out, but it is not delivering the services or the infrastructure required by the people of South Australia. Payroll tax is a really interesting one. In the 2007-08 budget period, it was estimated that the Rann government has taken \$853 million from 80,000 small and medium sized businesses. When they first came into

office in 2002-03 the actual figure was \$654 million, so there has been a \$198 million, or a little under 30 per cent, increase in payroll tax. The Treasurer has made adjustments, but it is interesting that the excess is still \$504,000.

The rate is dropping down. This financial year it has gone from 5.5 to 5.25 per cent, and from 1 July it will reduce to 5 per cent; however, budget estimate figures still show an increase in the income. The 2009-10 estimate is \$897 million, and in 2010-11 it is up to \$947 million. This has been taken directly out of business—the people out there who are generating the economic opportunities in this state—and it is money that could otherwise be spent on further growing our economy. Businesses are telling us that they want to make sure there is a bit more equity in it; indeed, Business SA has been quite outspoken about the fact that it would desperately like to see an increase in the threshold from \$504,000 (which is, I believe, the lowest in the nation) up to \$800,000. We keep talking about it, and I know the Treasurer has been petitioned on it, but while he is prepared to adjust the rate levied it appears he will not consider an adjustment to the threshold figure.

I would like to take a moment to look at what the national jobs market says about the South Australian economy. I know (from ABS data) that there are 778,000 people in work in South Australia. We also know that as at April 2007 (I do not have any more updated figures than that, but it is still a fairly accurate reflection) 7.19 per cent of jobs that existed in Australia were based within South Australia. We also know that South Australia's share of the population is 7.6 per cent, which is a bit more than 7.19. It may not sound a lot, but if you equate it back to the job opportunities being missed because of our percentage of existing jobs in relation to our proportion of the nation's population, you see that about 25,000 people who could be at work are not. Now, not only would 25,000 more South Australians being in work benefit our economy enormously: imagine what it would do for the livelihoods of those people.

I would also like to refer to property taxation—and I want to emphasise that I will refer back to the 2002-03 financial year a lot as it relates to now and to the forward projections. Total property taxation collections for 2002-03 were \$838 million. The 2007-08 estimate at the time of the budget preparation was \$1.28 billion, increasing next year to \$1.34 billion and the following year to \$1.36 billion. The year after that, 2010-11, it will increase to \$1.386 billion. Those are enormous increases, and that is where the windfall revenues have really come from. They have come from property-based taxation; hitting mums and dads, hitting small investors who want to build their wealth, making it very hard for young people to get into the housing market, and making it difficult for people renting homes, as they suddenly find that their rents are increasing through the roof because the people who own their homes want to make sure they get enough revenue to compensate for their expenditure.

Things need to happen. We know that the rental market has a less than 1 per cent vacancy rate, and we know that people are out there bidding for rental properties above the asking price just to ensure that they have a roof over their head. We know the government is out there with affordable housing programs, but we also know that there is a desperate need for a lot more in this state, and more has to occur.

Property conveyancing stamp duty has also been interesting over the last six years. In 2002-03 it was \$440 million; the estimate for 2007-08 was \$697 million and the forward estimate for the following financial year is \$742 million. In 2009-10 it will be \$773 million, and in 2010-11 \$788 million. Again, that is making housing affordability an enormous issue.

In terms of stamp duty, the median house price in Adelaide at the moment is about \$350,000, involving stamp duty of about \$15,000 (just off the top of my head). It is interesting to look at the competitiveness of South Australia compared, say, to Queensland, where I know that the corresponding stamp duty cost is about \$4,500. So we are looking at a \$10,000 to \$11,000 difference between what it costs to purchase a home in South Australia and what it costs to purchase one in Queensland.

If we want to attract more people to this state, if we want to make sure people want to live here and enjoy the wonderful climate we can provide (despite the recent rain we have had—thankfully) and the wonderful opportunities that will exist here in the future, we have to ensure that we have a taxation policy in place that allows people to buy a home without incurring the enormous cost of stamp duty to be added to a loan that will be paid off over, say, 25 years. People do not suddenly have that money; they have to borrow it, and those of us who have borrowed money know that for a 25-year loan, no matter what you borrow, you pay back 1½ times that in interest

only. So, if you have to spend \$15,000 in stamp duty you will pay back \$22,000 in interest on that stamp duty over the 25 years.

Gambling taxes have also been interesting. In 2002-03 they were \$340 million, and the estimate for 2007-08 was \$406 million. There was a slight adjustment downward in the following financial year at \$403 million, but I am sure that in the mid-year budget review that figure has gone up a bit. In 2009-10 it is \$423 million estimated, and in 2010-11 it is \$446 million estimated. In a previous role as shadow minister for gambling, I had the opportunity to meet with groups who had been enormously affected by the implications of gambling addiction, and they painted a very sorry picture. However, I think only about 1 per cent of the revenue received from gambling actually goes towards rehabilitation and assistance for those people.

There are also a lot of increases in fees and charges. The emergency services levy has not actually changed, but we will see an additional \$4.5 million in revenue because of the increase in housing valuations. Some would say that the government has been generous to River Murray licensees by contributing \$2.2 million to offset the natural resources management levies applicable to that area but, given that these licensees were on zero allocation at the start of this financial year and are now on 32 per cent (and who knows what it will be from 1 July 2008), as well as the fact that their businesses are being ruined by drought, this token gesture, while gratefully received, does not help their cause very much.

The supply charge for water in 2007-08 went up by 6.4 per cent, and usage costs also went up by that rate, and I have already indicated that from 1 July 2008 water costs will increase by 12.6 per cent. Expected revenue from the River Murray levies will grow this financial year by 1.4 per cent.

Public transport single trip ticket prices went up by 7.9 per cent, and the multitrip ticket cost increased by 7.2 per cent this financial year. This financial year, motor vehicle registration went up by 4.5 per cent, and compulsory third party insurance was projected to increase by 3 per cent. Speeding fines went up this financial year by 4.1 per cent but, if you do 30 km/h above the speed limit, it is a 20 per cent increase.

It is interesting that, in an ABC Radio interview on 28 April 2006, when discussing GST revenue received by the state government from petrol, the Treasurer said, 'A 1¢ a litre reduction in petrol pricing is \$26 million.' The table I am reading from shows that interstate comparisons with the current stamp duty on motor vehicles of \$40,000 paint a very different picture about what it costs to buy a car in South Australia: here, it is \$1,540 and in Victoria it is \$1,000.

I know that the opposition has certainly been approached by the Motor Trade Association, which is very concerned about its dealers in the South-East, who are worried that they are uncompetitive because people who live close to the Victorian border are deciding to buy their cars somewhere else to save money. That obviously needs to be looked at.

As to unfunded superannuation liability, the budget papers indicate that as at June 2001 unfunded superannuation liability stood at \$3.2 billion. In preparation for the 2007-08 budget, unfunded liability was shown to be \$5.9 million by 2011. In the last few weeks, the Treasurer has already talked about the fact that, with the global downturn in the economic market, suddenly his budget is under enormous pressure in preparation for 2008-09, and he included the fact that he has to find between \$100 million and \$120 million to support the unfunded superannuation liability.

As I understand it, the plan is to have superannuation liability fully funded by 2034. That plan has been in place probably since the mid-nineties. In these buoyant economic times, the Treasurer has not brought that plan forward. A lot of people will retire between now and 2034, and the age demographic of the Public Service and members of the Triple S superannuation scheme will demand that costs over the next 15 years will be enormous.

It is interesting to contrast what the state has been able to achieve in six years of very buoyant times to what was achieved by the previous federal government, when federal debt of \$96 billion was not only paid off over that 11½ years but money was also put away. The future fund had \$51 billion in it to help unfunded superannuation liability. Unfortunately for South Australia, the Treasurer has not made similar provision. As to GST grant revenue—

Mr Bignell interjecting:

Mr GRIFFITHS: True, but financial management also makes a big difference, member for Mawson. In 2003, the Premier stated, 'The GST deal was a total lemon for South Australia.' That is an interesting statement, and I construe it as meaning that the state has been disadvantaged. But

that is not actually the case, as we know that GST revenue is certainly above that originally estimated.

We know that in 2002-03 (again going back to the basis of when the Rann Labor government came to power), GST revenue was \$2.859 billion. The estimate for this financial year, at the time of the preparation of the budget, was that GST revenue would be \$3.855 billion; in the next financial year, \$4.075 billion; the following financial year, \$4.294 billion; and, in 2010-11, \$4.46 billion.

The total GST revenue over the 11 years until the end of the forward estimate period from when GST first came in is \$37.7 billion. The interesting point to note is that the windfall, or the additional GST revenue above that originally intended to be received over that same period, is \$1.5 billion. Just imagine what you could build with \$1.5 billion! It would just about be the Marjorie Jackson-Nelson Hospital or a desal plant that would ensure water security for Adelaide, but we do not have that sum.

I want to talk about the public sector, and I will again quote from the Treasurer when he provided an answer to a question during estimates on 18 October 2006. He stated, 'Getting a proper handle on the exact number of government employees is difficult.' I would have thought that it would be quite easy, but it turns out that it is not. That same day the Treasurer commented:

We do not have full confidence in the numbers that have been produced. We are not confident in the data collected by the Office of the Commissioner for Public Employment, despite its best endeavours.

We know that, when the Rann Labor government came to power in 2002, at the end of that financial year the total number of full-time equivalents in the Public Service was 69,770. From official reports, we can identify that, as at the end of June 2003, it was 71,373; at the end of June 2004, it was 72,141; at the end of June 2005, it was up to 76,720; and at the end of June 2006 it was 78,228, which is an increase of 9,344 from 2001 to 2006.

We now have some updated figures to show that the number has gone up by 12,000. It is interesting that the budget figures in those same times identify an increase of only 2,344 full-time equivalent employees; however, there is a difference of 10,000 public servants. If you use conservative estimates, you can identify that an additional 10,000 public servants per year is an impost of probably \$650 million on the budget which, over a four-year term of government, equates to \$2.6 billion, and that is an enormous amount.

I know that the Premier talks quite often on talkback radio about the fact that additional public servants have gone towards the additional 700 doctors, and I think that he quotes an additional 2,500 nurses and the intention to have another 400 police. On this side of the house, we do not deny the need for those people to be there, but we question the fact that those numbers do not add up either to 12,000 or to the 10,000 difference between the budget figure and the actual figure of people working in the Public Service. It is important that controls are put in place.

Again, the Treasurer is recorded in *Hansard* on 19 September 2006 as saying, 'We do not walk away from the fact that managing the numbers in the public sector has not been as good as it should have been.' I think that is a bit of an understatement. We on this side want to make sure that the appropriate number of public sector employees are there to provide the services that South Australia needs. There is no doubt about that, but there have to be controls in place. There have to be ministers out there who will ensure that people are appointed to work within their departments when it is justified and when they know about it, because it is obvious to us that, if budget figures have identified that 2,300 people should be employed when in reality it is 12,000 people, then somebody is not doing their job properly.

The Treasurer has also implemented things like the Public Service cap, but I am not sure if it has actually worked very well. Even since it was introduced a year and a half ago, we still have numbers exceeding the cap figures identified. The Treasurer is still not able to accurately identify the number of people in the Public Service, so we are a bit worried that things are not going too well in that regard.

Infrastructure spending is something I want to focus on for a little while too, and it is an important issue because it affects the future of this state enormously. We on this side are constantly told by the government that the Liberal Party, when in government from 1993 to 2002, barely spent anything on infrastructure. We know that with a debt of \$11.6 billion and a deficit each year of \$300 million, there were enormous challenges out there to fund the infrastructure that South Australians need.

I can actually say with some degree of pride that I am aware now that during the period from 1997-98 through to the 2001-02 financial year, after the Liberal Party had had the opportunity to consolidate certain things, to actually project its vision of what the state needed and to actually start funding some projects, an average of \$771 million was spent on infrastructure each year during that period.

I think that it is important to look at that as a percentage of the state budget revenue because that is the true reflection of the government's commitment to infrastructure spending: in 1997-98 it was at 11.5 per cent, with \$807 million being spent; in 1998-99 it was 10.3 per cent, with \$751 million being spent; in 1999-2000, it was 11 per cent, with \$838 million being spent; in 2000-01, it was 8.8 per cent, with \$716 million spent; and in 2001-02 it was 8.7 per cent, with \$741 million being spent. Again, I point out that an average of \$771 million a year (amounting to an average of 10.1 per cent of the state budget) was spent over that five-year period.

Since the Labor government came into power, we have seen some interesting figures too. In 2002-03, it was \$703 million, or 7.5 per cent; in 2003-04, it was \$849 million, or 8.5 per cent; in 2004-05, we have an estimated figure of \$975 million, or 9.2 per cent; and in 2005-06, again, an estimated figure of \$914 million or 8.1 per cent. We have seen some significant jumps in the last two years: there is no doubt about that. In 2006-07, it was an estimated figure of \$1.169 billion, or 10 per cent; and in 2007-08, \$1.482 billion, or 12.2 per cent.

We argue that, especially in the last two financial years, a lot of that money that has gone towards infrastructure is not actually capital spending: it is maintenance work. I think that \$150 million spent on re-sleepering a railway line is actually a maintenance project, but the Minister for Transport says that it is actually capital works. Even if we are generous enough to include that, the average spent is \$1.015 billion for each of those six years, but if you relate it back to a percentage of the total state budget revenue, it is actually 9.3 per cent.

Rather than being told that South Australia under a Liberal government did not have enough money spent on capital works and infrastructure, we actually find out the truth: if we actually compare like periods, we find that over a six-year period the Liberal Party spent 10.1 per cent of state budget total revenue, whereas the Labor Party spent 9.3 per cent. That is something that the people of South Australia need to understand. In difficult times, the Liberal Party still managed to contribute an enormous amount of money (both in dollar terms and as a percentage of its budget) to capital works. Labor is not doing quite as well. Even then, we actually managed to control spending on projects. We know that the Northern Expressway was originally costed at \$300 million, and then it was out to \$550 million; and now, with further proposals contemplated, it could be another \$1 billion on top of that.

I want to speak about some of the major projects that have occurred in South Australia. We have the \$1.7 billion proposal for a new hospital, which we know will not be completed for 10 years and which, interestingly, is to be funded via a 30-year lease. We do not know what the cost of that lease will be. We do not know what the comparative cost would have been for government itself to borrow the money and build the hospital as a project. I would have thought that, if you did your homework properly, you would actually have those figures. Indeed in a briefing provided to the opposition which quite a few members on this side attended with some of our staff and at which the Under-Treasurer and others were also present, we asked that specific question.

We asked, 'What are the comparators? Where is the information that proves that the public-private partnership option works in the case of the Marjorie Jackson-Nelson Hospital?' We were given an answer that did not really reassure me that the necessary work had actually been done. I support the principle of public-private partnerships, but I do so on the basis that I want to see the comparators between PPPs and the total cost over the life of a project, compared to the 'government-owned and built' cost. That is what we have not seen. We will keep asking questions on this side of the house because we want to know. With the Marjorie Jackson-Nelson Hospital being, I believe, the largest public-private partnership project to occur in the nation, as it is proposed, it is important that these questions are asked.

We have made some observations over the last couple of years that the government talks a lot but never actually builds many things. The Techport Australia Common User Facility was costed at \$226.5 million in 2006-07, but we know that it has blown out to \$243 million. That is another \$16 million that the South Australian taxpayer will have to find from somewhere. I want to talk about some other privatisation projects, and it is interesting that the Premier signed this 'No privatisation' decree immediately after the election and, all of a sudden, we find out that there are a few projects happening. The super schools program is privatisation. The intention to build gaols and to replace James Nash House at Murray Bridge is also privatisation. I think, though, from what

I understand, these facilities, especially the gaol, will be near capacity as soon as they are occupied, so that is a challenge for the state.

The South Australian rail system, the only diesel rail fleet in the country, has not been upgraded. The government has, though, committed funding for the maintenance of track to replace ageing sleepers with concrete sleepers on the Belair and Noarlunga lines and I think that is the cost that was included in the capital infrastructure project. Again, we reinforce the fact that it is maintenance, not capital. Over the past three years, the Liberal Party has called for electrification of the rail system. All users of Adelaide public transport would know that the trains do not run on time and that there are problems with the track running speeds and breakdowns in signalling systems.

We know that the trams are causing people to faint, by the sound of it, from recent publicity. They are told to dress lightly, and it has been quite cold, between 17° and 18°, people are jumping on trams and they are still fainting—let alone what it was like during the hot weather in March. It is a crazy system where a tram is purchased, not necessarily because it is the best one, but because it is the one that can be delivered on time, to meet a budget and election promise, but is it truly the one that South Australia needs to go forward over the next 20 years? Is it going to deliver everything that people who use public transport in Adelaide will require? I think we can ask a few questions about that.

We have had some questions in the house today about the Port River bridges and the work that is occurring down there. We know that the opening bridges will be an extra cost of \$100 million over the life of the project. We believe that a lot of wrong priorities are in place: the tramline extension was a \$31 million project; and we questioned some of the Thinkers in Residence program, which was \$1.4 million over three years. There are many clever people in South Australia too who could contribute to what South Australians need. Let us ensure we use the intellect that exists in our state.

We know that in relation to public servants, the blow-out by a fraction over 10,000 full-time people equates to \$2.6 billion over four years. We know that, among ministerial staff, spin doctor numbers have increased by something like 84, which amounts to \$6.3 million per annum or \$25 million over four years. It is hard to imagine that the constant need to deliver a message requires the appointment of 84 people at a cost to South Australians of \$25 million.

Mr Kenyon interjecting:

Mr GRIFFITHS: Increased spin doctor numbers; spin doctors. We also have the additional cost of the Independent ministers' offices, that is \$2.5 million a year or \$10 million over a four-year period. For stages 2 and 3 of the Queen Elizabeth Hospital redevelopment, the cost has blown out from \$60 million to \$317 million and the project is now delayed until 2011, so that is an additional \$257 million. The Northern Expressway, as I mentioned before, was originally costed but we have been told that there were scoping problems, and that has gone from \$300 million up to \$550 million. For the South Road projects, the cost of the Port Road/Grange Road tunnel has increased from \$122 million to \$245 million. That estimated figure was provided to me, so we can look at that. The Anzac Highway underpass has increased from \$65 million to \$118 million.

An honourable member interjecting:

Mr GRIFFITHS: True. The Bakewell Bridge underpass increased in cost from \$30 million to \$41 million and the Techport Australia Common User Facility, as I mentioned before, has increased from \$226.5 million to \$243 million. If we look at the total cost over a four-year period for these things, which we think are either blow-outs or wrong priorities, it is only a fraction under \$3.5 billion.

I will focus for a little while on SA Water's contributions to government and capital works, which is a passionate issue for me. As a person from the regions who would love to see his regional communities grow but who knows they are held up by a lack of an improved reticulated potable water supply, I am truly amazed at the money that comes out of the SA Water budget and goes into state coffers.

We know that, since 2002-03, the total stripped from SA Water customers and not made available for infrastructure spending is \$1.688 billion. In 2007-08, it was estimated that the dividends and payments to the government from SA Water would be \$275 million. Last year's Auditor-General's Report to the parliament highlighted that the Rann government is actually treating SA Water as its cash cow, even though during a period of drought and water restrictions,

the state government's own water utility is being starved of money to carry out capital projects, and that is what needs to happen. I quote the Auditor-General's Report, as follows:

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

That is from the Auditor-General's Report for the period ending 30 June 2006.

It is interesting to look back to when the Rann Labor Government came into power in 2002-03 and to note that the level of dividend to parliament, or to the Treasury coffers, was \$165 million. In 2003-04, it was \$164 million and, in 2004-05, it was again \$165 million. Then there was a quantum leap forward, in 2005-06, to \$217 million. It came back a bit, in 2006-07, to \$204 million and in 2007-08 it was \$189 million, but I reinforce the fact that, in that six-year period, the total contribution to government in dividends from SA Water was \$1.688 billion. Those figures certainly speak for themselves.

The government has milked SA Water, increasing its take from the corporation from \$206 million in 2001-02 to \$386 million in 2005-06 and then on to \$275 million in 2007-08. That is a 34 per cent increase since the last Liberal budget. SA Water's capital works spending on repairing pipes and building new infrastructure has changed from \$174 million in 2003-04 to an estimated \$235 million in 2007-08. However, of this, only \$12.1 million is actually for new works and that is for the Clayton water supply pipeline, the Morgan-Whyalla pipeline and the Virginia-Angle Vale reuse extension.

Another issue I want to focus on is the shared services reform. We have heard much in this place and there has been a lot in the media about shared services. Anyone who works within TAFE, health or the Department for Environment and Heritage has been concerned about their job, especially if they are defined as being a back office person and they work in accounts payable or receivable, payroll or human services-type functions.

We know that, especially for those in regional areas, it is anticipated that there will be 256 full-time equivalent positions cut. I know from my discussion with people who work within those departments and who live in the regional areas and are upset about this, that a lot of those jobs are part-time. They are not full-time. So 256 full-time equivalents probably relates to something like 500 people. If we look at the drought situation and the importance of a wage in a regional community, you cannot suddenly take up to 500 people out of the regions, because it is not just the financial implications but, importantly, it is also the social implications also.

These people do not want to leave. They want to keep their jobs and continue to work in areas that they love, and they want to continue in the jobs they are passionate about, but their opportunities are being taken away from them because the government is intent on trying to save money under shared services reforms.

Already we know that this program has been delayed, and we know that there have been problems associated with it. We know that the costs associated with creating shared services this financial year are actually more than the reduction in cost will be. There is money being expended to save money in the longer term, but you have to question the need for it. In this time of drought, especially in the regions, you have to try to put more people into regional areas, not take people from them.

But it is not just the regional areas that will suffer. Probably about 2,000 people working within suburban and CBD areas will be affected. They will all be told that if they want to keep their jobs not only do they run the risk of not having it any more but, if they do manage to keep it, suddenly they have to work out of a CBD location. These people want some surety.

In the final moments of my contribution I want to refer to some of the figures in the midyear budget review as at 31 December, produced by the Treasurer and published I think on 24 December. General government revenue for 2007-08 is above that forecast in the budget by a not insignificant amount, that is, \$252 million. Suddenly, the government has \$252 million extra to spend in this financial year.

From 2007-08 through to the 2010-11 forward estimate period, it is interesting that total general government revenue has been revised up, again by an enormous figure, that is, \$1.888 billion. Members should remember that the midyear budget review was as at the end of December and the budget was presented in the first week of June 2007. In that six month period not only was there going to be additional revenue of \$252 million in the current financial year but also, over the forward estimate period of four years, it is nearly \$1.9 billion.

Taxation revenues are also above those forecast in 2007-08, by \$173 million. From 2007-08 to 2010-11, total general government taxation revenues have been revised up by a total of \$638 million from the original preparation of the 2007-08 budget. That \$638 million comes out of the pockets of every person who lives in South Australia and spends money and owns a home here. These people are screaming for more assistance. General government expenses are also above those forecast in the 2007-08 budget by, again, another enormous amount, that is, \$199 million.

So, not only has the income gone up by \$252 million, but expenditure has gone up by \$199 million in this financial year alone. From 2007-08 to 2010-11 total government expenses have been revised up by a total of \$1.473 billion. Again, during the six month period between the preparation of the budget and the adoption of the midyear budget review of the forward estimate period, we are looking at an additional \$1.473 billion extra being spent.

Employee expenses are also interesting, and I believe it is something like \$5 billion per year. For those forecast in 2007-08 to the midyear budget review figure it has gone up by \$75 million. Over the forward estimate period for 2008-09 to 2010-11, employee expenses have been revised up by a total of \$541 million from the 2007-08 budget.

You have to look at the fact that we know industrial action is being taken by doctors in the public health system and they want quite significant pay rises. We know that teachers are asking for pay rises as well, and TAFE employees are asking for pay rises. I know that late last year agreement was negotiated with the 4,200 police officers in South Australia for pay increases. There are a lot of demands out there.

Minister Michael Wright, in his negotiation, faces a lot of challenges, but forward estimates certainly indicate there is an enormous amount being spent on public sector employee expenses. If it is around \$5 billion now and it is going up by \$541 million, that is at least a 10 per cent increase.

Again, I want to enforce the fact that the budget does remain in deficit on two of the three of the normally accepted accounting measures. The Treasurer continually disputes this. He conveniently is using an accounting measure that proves he is in surplus. We remind him of the fact that when he was appointed Treasurer in 2002 he identified the system he wanted to use. Because circumstances changed and those figures no longer looked attractive to him, he suddenly changed his mind.

It is with a great deal of pride that we in opposition have decided that South Australia's tax system needs a bit of reform, and we have invited the South Australian public to contribute to that. The Treasurer has belittled our efforts and, after the announcement of our tax discussion paper about two weeks ago, he came out in the middle of the afternoon and said that the policies of the Liberal Party will bankrupt the state. He has conveniently forgotten that the discussion paper was not our policy but reflected the comments received from the 45 people who made submissions—the 45 people who have a deep interest in the state on behalf of the thousands of people who are worried about the taxation policy that exists. There is a lot of interesting comments in it. We look forward to 12 May when we have our tax summit in the House of Assembly chamber, and we are hopeful of having at least 100 people here who want to contribute to the tax debate in this state. Taxation debate will drive policy determinations: there is no doubt about that. There will be some things that come from that day that we will use and some that we will be unable to use. However, importantly, we are giving South Australians a voice, and that is what the parliament should be focused on.

Taxation creates the opportunity to provide services, and the Treasurer in answers about tax reform, after initially not only belittling us but also condemning our proposal, said that tax reform was not required. It was pretty interesting that, within about a week of that the 2020 Summit was held in Canberra and, suddenly, the Prime Minister is saying that a root and branch approach to tax reform, state and federal, is required.

We have asked the Treasurer questions about this, and he has recognised that, in some ways, the Prime Minister's comments were appropriate. He has gone on to defend himself by alluding to the issue of reform on taxation transfers between the state and the feds. However, it is important that South Australians have their say, and we think that 12 May will provide that opportunity. We think it is important. We know that people will access it and we look forward to the debate. It is interesting because \$2.3 billion is a significant amount. It is a percentage of the state budget which we do not necessarily have a chance to review but we must approve that expenditure.

We want South Australia to move forward, too. South Australia deserves to ensure that the level of taxes that are raised in this state provide the level of services and infrastructure that it requires. The last six years have proven that that is not the case. The last six years have proven that a party is in power that cannot manage itself. The last six years have proven that a party is in power that cannot ensure control of its expenditure or, indeed, the number of people it employs. The last six years have proven to many South Australians that, upon reflection, they probably made a poor choice with respect to whom they voted for in 2002 and 2006.

We hope that from 2010 members on this side of the house transfer their seating arrangements to the other side of the house and that we have the opportunity to make sure that the future of this state is bright. Budgets will be an enormous challenge, there is no doubt about that. The pressing need for infrastructure and services will challenge anyone in government. However, we believe that we have the skills. We certainly have the endeavour.

While I have varied somewhat from the Supply Bill and the debate on the \$2.3 billion, it has been a great opportunity to reflect upon the mistakes this government has made over the last six years and to comment on where opportunities will lie to enable members on this side of the house from 2010 when we have control of the Treasury books to make a difference to this state.

Mr WILLIAMS (MacKillop) (16:47): Again, we come to discuss the Supply Bill to provide for the payment of government expenses in the interim until the budget is brought down and passed through the parliament. So, interestingly, we must try to understand what might or might not be in the budget. This job is becoming easier each successive year since this government has been in office, because it has now got form and we have a fairly good understanding of the way in which it operates. I do not expect to see too many changes from what has occurred in recent years—unfortunately!

Something interesting happened in question time today. The Treasurer, by way of interjection during the fracas, said across the chamber to members of the opposition, 'You're jealous of me.' I want to make it quite clear to the Treasurer that I do not think that any of my colleagues would be jealous of him. I certainly am not. I would certainly not wish to be wearing the mantle that the Treasurer of South Australia wears. I would certainly not wish to be seen in the way that he will be seen and judged by history as we move forward in this state.

Treasurer Foley and the Rann Labor government will be seen as one of the most inept treasurers and governments this state has ever had. That is a big call when one recalls the last government Mr Rann was in—the Bannon Labor government—in the 1980s and early 1990s. That government lost in a number of financial disasters, it was just not the State Bank. It lost billions of dollars. I would contend that the current government has been just as wasteful if not more wasteful and has cost the state of South Australia—the people, the citizens of this state—even more than was lost in the State Bank disaster just those few years ago.

The Premier and the Treasurer will continually come into this place and argue that South Australia is doing very well. They will argue that employment is up and unemployment is down. They will argue all sorts of figures. The Premier always argues about the exploration figures in the mining sector. The reality is that those figures simply reflect the amount of money that BHP Billiton is spending in developing its project and doing the feasibility study to change the way in which it mines at Roxby Downs and to increase vastly that operation to become, as we all acknowledge, probably the biggest mine in the world.

Ironically, that operation would not even be there if the current Premier was as effective as he makes out he is back in the early 1990s. He would have stopped it. He was the one, no doubt, who penned the words 'the mirage in the desert' that were uttered by the then leader of the opposition (John Bannon) who later became premier. He called it a 'mirage in the desert'.

The vast majority of the exploration figures that keep getting quoted in South Australia are related to work at Roxby Downs—what we call brownfields exploration as opposed to greenfields exploration. Mining activity in South Australia will increase, I hope, dramatically over the next period, and I am talking about the next 25-30 years.

I sincerely hope that South Australia will emulate what has happened in Western Australia over the last 30-odd years. Western Australia took the plunge to accept mining and to encourage mining houses to operate in that state in the early 1970s, at the time, again, when Labor governments (certainly here in South Australia) were still peddling the nonsense that mining was raping and pillaging the state and that it did not want to have anything to do with it. I am pleased that the current Labor government has seen the error of its ways and now has become more pro-mining, more accepting of mining.

One thing that does disturb me is that with the largesses that are flowing to the state—and we are seeing that just with the increase in the value of the minerals being mined in this state—we have seen a dramatic increase in the royalties flowing to government from the mining sector, yet we have seen a diminution of the amount of money reinvested back into the mining sector by the government. Whilst we have seen a vast increase in royalties, we have seen a lessening of the money spent by government in the mining sector. Talk to any mining house that is out there either wishing to explore or exploring and wishing to expand, or wishing to convert an exploration licence into a mining licence, and they will all tell you that the permitting part of Primary Industries in the mining sector is short staffed and has been for years, and the government will not put in resources to ensure that the permitting for mining exploration and mining licences is done in a timely fashion.

That has been going on for years. I am no longer shadow spokesperson for mineral resources but, when I was, I used to regularly attend functions held by the mining industry and that was a common complaint, and nothing has changed. I watch each year. I still have an interest in that area, and every time I pick up the budget papers, I look with keen interest to see whether the government has increased its expenditure in that area, and it just does not happen. Why? The budget is out of control, that is the problem. We do not see monies being spent in areas that we would have expected with the incredible growth in revenues that the government has seen in the whole of its six year term.

There has been incredible growth in revenues. I will not detail all that because my colleague the member for Goyder has just spent a considerable time detailing the figures. We all know that the growth in revenues has been nothing short of startling. It has had little to do with government policy. Certainly, I would suggest, it has been created in spite of the policy of this current state government. When we compare the growth in some of the headline numbers that the Premier and the Treasurer use about things such as employment, total employment and industry growth in various sectors of the economy with the other states, relative to the other states we are going backwards. That is why I say Kevin Foley will be seen (as he deserves to be) very harshly by history. He will be seen as the captain of the economic part of the ship that saw it wallow while the other states forged ahead. That will be the legacy of this current Rann government.

We used to say 'missed opportunities'. It would be nice if we could couch this in terms of missed opportunities, but I say that we should now be talking about the disaster that has befallen this state. Kevin Foley, the Treasurer, keeps talking about the fact that he has always had surplus budgets and that the former Liberal government could never create a surplus budget. We know that that is a nonsense. We know that the first budget he brought down was a deficit budget. It only looked to be in credit because he delayed the transfer of a significant payment of some \$270 million from the old South Australian government financing authority and the South Australian Asset Management Corporation. He delayed that payment so that, instead of falling in the 2001-02 year, it fell in the 2002-03 year.

The effect of delaying that payment, the effect of changing Rob Lucas's last budget, made that budget look like it was in deficit. What Treasurer Foley did was take the \$270 million which was provisioned for in Rob Lucas's last budget and say, 'Whoops, sorry, I need that \$270 million in my first budget so that I have a surplus and also so that I can say that you had a deficit.' That is fact; that is what happened. It has been documented. Things went along pretty well in the next couple of budgets because the revenues exploded, but, at the same time that revenues exploded, so did expenditures, and that is where Treasurer Foley, Premier Rann and the current Labor government have let this state down. They have allowed expenditure to balloon out and to become totally out of control.

The opposition keeps quoting the 10,000 plus unbudgeted public servants. I know the Treasurer and the Premier will say, 'We have more police officers, nurses, doctors, school teachers, etc.' They talk about more nurses, and I think the most recent figure the Premier mentioned was about 2,200. I would like to know how many full-time equivalents that is because I would suggest that it is much less than that. I know that, when the figure was about 1,300 in full-time equivalents, it was close to half of that because we know that many in the nursing profession work part-time. Notwithstanding there might be 2,200 new names on the employment registry, many of them are part-time and the full-time equivalent increase is much less than that.

However, that is not the point. The point is that they were budgeted for, as were the 400 extra police officers. We are talking about 10,000 plus public servants who were not budgeted for. The cost of that year in, year out, a recurrent cost that is now locked into the South Australian budget, conservatively would be \$700 million a year. The point is that, if Treasurer Foley was able to have controlled his big spending mates on the front bench, his big spending cabinet from day

one, each year South Australia would have had that sort of money available for the sort of projects that we now need, the sort of projects that we will now put on the credit card—things such as new schools, new hospitals, new water infrastructure, desalination plants. As a state we cannot afford to do the sort of things that we need to do.

I believe that South Australia will not get any money out of the \$10 billion that was put on the table by the Howard Liberal government to fix up the River Murray, Murray-Darling Basin and that whole system. I do not think that that money will be spent in South Australia. I cannot see too much of the portion that was to be spent on infrastructure and upgrading of existing infrastructure being spent in South Australia. I talk to the irrigators and grape growers down at Langhorne Creek. They have an industry worth half a billion dollars a year but they cannot access water and, if they could access water in the lakes, it would be of a quality that would probably kill their grapevines. It would certainly mean that the grapes they harvest would not be suitable for producing high-quality wine. So, there is an industry worth half a billion dollars a year, and they need a pipeline at least from Jervois at a cost of about \$60 million.

Because of the poor negotiating skills of the Premier, it looks like South Australia has negotiated itself into a position where it will not be able to access any of the money out of Canberra for that project or the other proposed pipeline projects around the Lower Lakes. So, that industry worth half a billion dollars a year will be left to wither on the vine. Not only has the state squandered its opportunity through its lack of negotiating skills, it has also failed to run a decent budget for six years and to capture the increase in revenues to have money available for those sorts of projects. That is a serious problem.

The state government jumped at the opportunity to throw tens of millions of dollars into helping workers when Mitsubishi closed down, but I have not seen one cent (or the prospect of one cent) being spent to save the Langhorne Creek grape growers with their half a billion dollar a year industry.

The Premier goes down there with a TV camera, has his picture taken for Adelaide news services, but he will not sit down to talk and negotiate with those growers or that industry. That is the sort of problem that we have. I know that the Premier's hands are tied because he has a Treasurer who has mismanaged the state for six years and he now no longer has the money. All the significant projects that have been looked at will have to be funded from the private sector.

This is the premier who signed a document (another one of his stunts) to say that he would not have any more privatisation in South Australia. At every opportunity, he tries to suggest that the Liberal Party is all about privatisation. That is what he does on a daily basis when he gets an opportunity. The reality is that we are going to have private schools where the private sector will build and own our schools. We are going to have private hospitals where the private sector will build and own our hospitals. We are going to have private prisons because the private sector is building and owning our prisons.

The Premier will say, 'But in the hospital the state will still employ the doctors and nurses, therefore, it is not privatised.' Give me a break. It is privatised—it will be owned and funded by the private sector. South Australia has been sold out by this government at a time when we have had an incredible increase in the revenues flowing into government.

I go back to the Treasurer's claims about having a budget surplus. The reality is that, in the current budget to 30 June this year, the Treasurer claims that he has a \$30 million surplus, but what he does not say is that it has only been achieved because he has gone out and borrowed \$428 million. It has been a fair while since I have done grade 3 arithmetic, but I reckon if you borrow \$428 million to get a \$30 million surplus, you are going backwards at the rate of about \$398 million. That is the way I figure it. As my colleague the member for Goyder pointed out, of the three methods you can use to measure your budget position, whether you use a cash system, an accrual system, a net lending/borrowing measure or a net operating balance, the only one that shows that this government can have a credit balance or surplus is the net operating balance. If you applied that measure to any budget brought down by any government in the history of this state, you will always get a surplus.

When you use net operating balance, all it means is that, whilst you still have a capacity to borrow money to cover your expenses, you are always going to be in the black because that is what it is measuring. But when you actually measure your net position which occurs if you use a cash base measure or a net lending measure, you get a real picture of where the state is going, and this state is going backwards. It is going backwards at a rapid rate. We know at a time when we have had this huge excess of cash coming into the Treasury coffers, we are increasing our

borrowing—\$428 million in the current year. Over the next few years, it will be hundreds of millions more, and that is not counting the deficit that has been run up by signing contracts with the private sector to take over ownership of our schools, hospitals, prisons and water infrastructure, and that is billions of dollars.

I have mentioned water infrastructure but I have not even talked about the borrowing in that area. We have these government financial corporations all out borrowing money. In the case of SA Water, the Auditor-General has been pointing out for years now that SA Water cannot fund both its capital works and the dividends it is forced to pay to the government, and SA Water itself is borrowing to put money back into the Treasury coffers. Not only is Treasurer Foley borrowing himself, he is also forcing the government-owned corporations to borrow on his behalf. So, when we get to the situation where we need to build something like a desalination plant or other major water infrastructure, we have to get the private sector to do it because we have wasted the money. That is the problem we have. South Australia will continue to go backwards relative to the other states for as long as this government is in office. That is my contention because I cannot see this government changing tack at this point.

Time expired.

The Hon. I.F. EVANS (Davenport) (17:07): I wish to make some comments in relation to the Supply Bill and I commend the members for Goyder and MacKillop on their contributions. I do not intend to repeat their arguments because they have outlined the opposition's position in relation to the budget, taxation and expenditure, and the wrong priorities of the government. I guess I want to take those contributions and bring them down to a local level to show how the government's lack of priority and lack of budget management has an impact on local communities.

The first example is three community organisations that are at war with this government and the Adelaide City Council over the Adelaide Aquatic Centre—and they are Swimming SA, Diving SA, and Water Polo SA. Seven years ago next month the former government—and I, as minister—announced that it would build a world-class Olympic-style swimming centre at Marion. Now, for six years this government has stuffed around and tried to deliver a pool to Marion. For six years this government has messed around with that particular project, and during those six years there has been an ongoing battle between the Minister for Recreation, Sport and Racing, the Adelaide City Council, and the three aquatic organisations regarding the Adelaide Aquatic Centre.

The Adelaide City Council has had a gutful of waiting for the government to make a decision, and has written to the various organisations saying that as of 30 June this year the council will introduce a new charging regime. The charging regime it is to introduce is outrageous; it will cost those organisations over \$200,000 a year extra and will bring into the Adelaide City Council something like \$600,000 to \$650,000 extra each year. The council is doing that because the state government has failed to make a decision about extra funding to the council as a way of supporting Diving SA, Swimming SA and Water Polo SA.

Why should the state government be contributing to the Adelaide City Council's costs in relation to those sports at the Adelaide Aquatic Centre? The reason is that those three sports have elite level programs—that is, state level programs—operating at the aquatic centre. Now, there are not many pools around where you can actually play competitive water polo or have an elite level water polo program. There are other pools where you can have the swimming program, because it is simply a 50 metre long pool—although we all know that the Adelaide Aquatic Centre does not meet current standards for international competition, which is another reason the former Liberal government announced the Marion aquatic centre proposal.

However, for Diving SA there is no facility in South Australia, other than the Adelaide Aquatic Centre, that has a 10 metre platform and a pool deep enough to provide for an elite level program. The government's indecision, the Minister for Recreation, Sport and Racing's inability to make a decision, means that Diving SA is facing a bill of over \$200,000 extra each year from a very small parent and fundraising community. We all accept that diving is not the biggest sport in South Australia, but we make an important contribution to the Australian Olympic team and the broader diving program. For that organisation to have to find an extra \$200,000 or \$220,000 a year means only one thing—the organisation will cease to exist come 30 June, or thereafter, because it will not be able to pay the extra cost to the Adelaide City Council.

The member for Goyder indicated that the government has an extra \$248 million in its forward estimates this year in its mid-year budget review. So, why is this minister so incapable of making a decision to support these three organisations? You might recall that this is a government that found \$200,000 to do the garden outside the new 4 to 5 star hotel in Port Lincoln. It contributed

\$200,000 to a garden, but when the diving, swimming or water polo organisations go to this government they get the cold shoulder. It is an example of how the government's lack of budget management has delivered a very bad outcome for those community organisations.

What the government is doing to those organisations is outrageous; they do not deserve it. Surely the government can find the money to assist them. It is not the fault of Swimming SA, Diving SA or Water Polo SA that this government has not delivered, in six years, on the Marion aquatic centre project. The Minister for Health writes in *The Advertiser* how this government is concerned about obesity. Well, I could not stop laughing when I read that article, because this government has done absolutely nothing for community recreation and sport other than cut its funding and cut its programs. There is no better physical activity than aquatic-based sports, because the weightlessness of the body in the water means that there are less joint and tendon injuries. So, anything aquatic based is a fantastic fitness and exercise routine.

However, this government has failed to deliver on this program. The first thing it did was cut \$7 million to \$10 million out of community recreation and sports grants, and it recently cut the Premier's Be Active program grants. All the physical activity teachers in schools will tell you that those cuts by the government were an absolute nonsense. That is an example of how the macro issue, the lack of budget control, delivers real pain to our schools, our community organisations and, in this case, to the aquatic organisations.

The member for MacKillop raised the issue of extra public servants within the bureaucracy. I make the point that I wish just one of them in minister Wright's office (and I am not particularly worried which one) would pick up the question on notice I asked six months ago today. I just wish that one of them would put it in front of the minister so that I could get an answer. It was a pretty simple question. I keep asking the minister informally across the chamber, 'When am I going to get an answer?' Today I asked him whether he had shot the carrier pigeon, because I assumed that it was coming by pigeon post as it had taken so long.

The question about the policy of the minister and the government on how they deal with sport and recreation grants is not difficult; it would have been in place for six years. They have been making grants for six years. I simply want to see what their policy is in writing. Surely one of them can pick up the answer and give it to the minister.

In my electorate of Davenport, the budget problems deliver negative results, and I will give a few examples. I have spoken informally today to the Minister for Transport about parking at Eden Hills Railway Station. As the name indicates, Eden Hills is not flat; it is actually quite a steep bit of country. The railway station is well used and has very limited parking.

For three years, I have been trying to get the government to buy a piece of vacant land adjacent to the railway station and the railway line to increase the car parking at the station. I have even approached the landowner, who has given me their approval, in writing and on letterhead, to sell the land to the government. This has been given to the minister's office on a number of occasions, and I have lodged a petition on behalf of the electors. I suspect that it is the fault of the department that I cannot get a decision out of the government to buy a block of land to increase the car parking at Eden Hills Railway Station.

If they have an extra \$248 million, as their forward estimates suggests, I say: why not? If we are to get traffic off the road, I invite the minister to do this exercise: on any school day, get to Blackwood at around quarter to eight and try to come down Old Belair Road. I have stressed to the minister's office and his public servants that there needs to be an investment in the road network between Blackwood and Cross Road so many times that I have lost count. There needs to be a traffic management plan for Black Road, Flagstaff Hill, to Cross Road. In my view, there needs to be consideration of an extra lane between Blythewood roundabout and Fullarton Road because Blackwood Park is being developed in the electorate and will comprise 1,200 extra homes, which is 20 per cent extra housing in the district.

Not one dollar is being contributed towards the management of the increase in traffic. There are 600 new homes, and the other 600 blocks are being sold. Within three years, the full impact of that traffic management will be apparent. I say to the minister, or to any of his officers who are listening or who will read this: pick up your traffic management report from your department and it will tell you that, when the 1,200 homes are built, there will be 5,000 extra traffic movements a day at Blackwood roundabout.

Park a public servant there and get them to look at Blackwood roundabout today. It is a log jam both during the morning peak, going into the city, and the afternoon peak, coming home from

the city. When a freight train goes through Blackwood crossing, which is 150 metres from Blackwood roundabout, the whole thing just locks up.

If you do not want to send a public servant there, send an email to your public servants in the department of transport. About 60 or 70 of them live at Eden Hills, Blackwood or Bellevue Heights, and they will all tell you that the local member is right. I go to the public meetings, and I ask the public servants to come with me and see the traffic problems. Privately, they all agree, but they need the government to act. If you think that Britannia roundabout is a traffic issue, I invite any of you—any of the minister's officers or the minister himself—to come to Blackwood and go down the hill on any school day. There needs to be an investment in the road infrastructure at the Mitcham hills area.

The government's budget mismanagement means that at this time that investment is not forthcoming; in fact, it has gone backwards. The first act of the Rann Labor government was to take \$900,000 out of the upgrade of Old Belair Road. It was a \$1.8 million project, and the first thing the Rann government did was cut it in half. These sorts of local issues highlight the impact of a budget getting out of control, as the member for MacKillop claims it is getting out of control.

Other issues relate to education, such as Hawthorndene Primary School, which is saving up for a sports hall. The cuts to its programs mean that the sports hall is now many years away. It did not have to be, but the way that this government handles education means the hall is many years further away than it needs to be. Because the population growth in the area is at an all-time high, the Eden Hills school needs an asset management plan because many of its buildings will need replacement. The school will need a long-term asset management investment by the state government to replace and improve the existing facilities.

The other issue is public transport. The Mitcham hills area has less public transport now (with more population) than it had six years ago, because the way the bus timetable is worked out, if your population growth is not in the state's priority areas, then you simply do not get investment. The areas that will attract investment are the faster-growing areas such as Mount Barker, some of the northern suburbs and maybe some of the southern suburbs when they come on stream, but if you are a medium-range growing area, you actually attract less investment because the bus contracts which this government supported—even though they do not support privatisation, every single minister voted to renew the privatised bus contracts—reward the bus contractors based on patronage. So the bus contractors look at where they can get the most patronage and that is in the fastest growing areas, and that means that slow-growing areas or old areas that are declining in population get less service.

What we need is an investment in cross-suburb small bus commuting. There is a significant need for the mature aged, the disabled and young mums to be able to go 10 or 15 minutes across suburbs. That investment is not being made by local government, and it is not being made by the state government. The problem with the public transport system is very simple, in my view. The public transport system was designed many years ago when the majority worked from nine till five in the city, so you have this very lineal public transport system coming into the city. It is great if you are going there, but the reality is that the workforce is spread, and a lot of people do not go to the city to work.

We need a different focus on the public transport system other than the city. That said, there need to be improved public transport services. I know I have argued for an improved road network; the reality is that about 85 per cent of people use cars, and 15 per cent use public transport. There needs to be a coordinated investment program in those areas in my electorate. I know I have spoken about my electorate, and I have done so quite deliberately. I have done so to try to illustrate that the budget overruns and mismanagement highlighted by the member for Goyder and the member for MacKillop have a very real impact at the local level, and it is at the local level where the pain is really being felt as a result of the inaction of this government.

Dr McFETRIDGE (Morphett) (17:25): It is interesting to speak to financial bills because I remember that when I did my first budget I said that I was no economist, and I said that economists were only put on this earth to make meteorologists look good. I had to pay penance at the bureau, and the meteorologists really took umbrage. I think it was at the last budget that the Treasurer said that he was hoping the drought would break, so I then said that the economists were hoping that the meteorologists would make the budget look good. That has not happened.

South Australia is going very well. I said, in the WorkCover speech, that the economy in South Australia was booming. I should have really said that the national economy is booming. South Australia's economy is going very well, but as I will read into *Hansard* a bit later on—and I

will not read all of them—26 different sources in the last two years have indicated that South Australia could be doing much better.

I want to start my contribution with a little bit of history. The Premier, when he was discussing the ills of WorkCover, I think at the Labor Party executive meeting recently, likened the WorkCover unfunded liability to the State Bank blow-out, and that gives a little more credence to our referring to the unfunded liability as the State Bank Mark II.

When we were suffering the ills of the State Bank, really hard decisions had to be made, and one of those decisions was to sell off or long-term lease—people say 'sell'—the electricity assets of South Australia. We have been roundly criticised by the government for that ever since, but we should all be reminded of Standard and Poor's comment, in one of its reports, that the AAA rating that the former Labor government lost had been reclaimed because of the hard yards done by the former Liberal government in reducing the state debt by selling off the electricity assets.

One of the reasons the electricity assets were sold off was associated with the national electricity market, and that was a situation brought about by the Keating Labor government. I know that this morning we debated the national gas measure in this place and, while my understanding of it is not that deep, I believe that it sets up a national gas market similar to the electricity market, and I should remind the house that it was the Labor government that sold off SAGASCO (the South Australian Gas Company) into private hands many years ago.

Decisions have to be made, and those decisions can be criticised at a later date as being the wrong decisions, but I think history will say that all of those decisions have been the right decisions for the future of this state. In fact, let us look across the border at our eastern cousins and see what is happening over there. They have budget issues similar to ours, where you need to spend on infrastructure, public works and many other issues such as health, law and order and education.

There is no doubt that you need to spend and there is only so much money in the pot. It is a bigger pot, but there is only so much money there. What is the lemma government doing in New South Wales? They are going to sell off and privatise their electricity. The Bob Carr government tried to do this in the late 1990s, and we all remember that Maxine McKew's partner, Bob Hogg, did a terrific report recommending the privatising of electricity back in 1997, I think it was. The Carr government got rolled by the unions then, but we see now that the lemma government is standing up to the unions and saying, 'We have to do this. We have to raise the money from the sale to put into rebuilding the state.' There are still a number of Labor members of parliament in New South Wales who are dead against this, but what do we read in the *Sydney Morning Herald* last Saturday? This is very important because of the fact that we have the federal president of the ALP as our Premier, and I suggest that he look at what the New South Wales ALP president is saying. The article states:

The president of the New South Wales Labor Party has confirmed he will protect any Labor MP who votes against the privatisation of the state's electricity industry...Bernie Riordan, secretary of the Electrical Trades Union, and chairman of the ALP's powerful administrative committee, has told the *Herald* that MPs who uphold party policy by defying the Premier will not be expelled or lose their endorsement.

In New South Wales they can cross the floor if they feel really strongly about a particular issue, but you watch what happens if one MP in this place or the other place steps out of line over WorkCover and sticks by their principles and crosses the floor. They will not be protected by the ALP; the federal president will not protect them. They will be disendorsed and we know they have been threatened with that if they step out of line. It is an atrocious thing to have happened. So the fact that—

Mrs GERAGHTY: I rise on a point of order. The member for Morphett has just made a statement that is clearly wrong and misleading to the house. He said that we have been threatened and that is clearly incorrect.

The DEPUTY SPEAKER: That is not a point of order. Member for Morphett.

Dr McFETRIDGE: Thank you, Madam Deputy Speaker. I understand that the government does not like its dirty washing being hung out in public, but that is the information that I have been given and I can name names, if they want, as to who went and spoke to the left and who went and spoke to the right. We can name names if you wish, and we have got them. The government needs to recognise that what it is doing is not being supported by its members. We know of at least 12 of them in this place who are not supporting it, and yet we do not see them being given the opportunity to stand up their for principles, unlike their colleagues in New South Wales. Certainly

the Labor Party is not going to protect them here like the Labor Party is protecting its members in New South Wales, and that is just a sad fact of life.

The more pertinent matter in relation to this supply bill is the need—as the Treasurer indicated—to pay my wages. I would like to say that I do not need those wages. I certainly do need to have some income. I have done very well in business over the years and I have some good investments, but I do require some income from this place, so I thank the Treasurer for saying that it is helping to pay my wage. I just hope that it is not—

The Hon. G.M. Gunn: And they're getting good value for that.

Dr McFETRIDGE: And they are getting very good value for that money, I point out to the member for Stuart. Even if I do say so myself, I work very hard for my constituents in Morphett and I deem it a pleasure to be serving those constituents. They pay a lot of taxes to this government, particularly in stamp duty and land tax down there because property values have significantly increased in recent years in my electorate of Morphett.

I know of one hotel down there in respect of which I think they said they are paying \$1,200 a week in land tax, and that seems an extraordinary amount—perhaps it is a month. Surely, nobody would be paying that much a week, but I will check that tonight. However, it is an incredible amount, and I was shocked to hear this at the time—in fact, so shocked at the amount they were paying that I cannot remember the exact amount! Either way, \$1,200 a week or a month in land tax is still far too much to be paying because that comes straight out of the business.

It is important that we realise how much money is coming into the coffers of this government. As the member for Goyder, the member for MacKillop and others will be saying later on, this government is rolling in money. When we look back at the history of the income received from the hand-working taxpayers of South Australia, we see that it has gone up significantly. I am told that in our last budget in 2001-02 it was about \$8.54 billion, but what do we see now? In the current budget for 2007-08 the estimate is over \$12 billion—about \$12.4 billion. That is a significant rise in income. Where has it come from? It has come from the GST.

We know that this Labor government opposed the GST, yet they would be the last ones to think about scrapping it now. They realise that it is a broad-based form of taxation that is generally a fair form of taxation, and certainly it is bringing a significant amount of money—far more than anybody could have ever expected—into the coffers of this government. Where does that money go? It goes into a lot of places, but unfortunately a lot of it is going into recurrent expenditure.

The areas that I am really interested in today are those associated with my shadow portfolios: Industry and Trade, Science and Information Economy, Transport, Industrial Relations and Aboriginal Affairs. The money that has gone into those various portfolios over the years is significant, but they still need more, and the priorities really need to be re-evaluated so that the state is able to catch up with the rest of Australia. The top item, though, obviously is the transport budget. The transport budget really requires significant spending in order to get our buses up to scratch.

The buses are getting old and tired. Some replacement buses have been provided for in the budget, but what we need, I am told by bus industry experts, is at least 40 extra buses. Some people say up to 100 buses, but I am told at least 40 buses. They are not just replacements for old buses, they are extra buses to run on the routes now that are really being taxed to the limit. I was talking to a young chap last night who said it is standing room only on the buses. We have had people fainting on the trams, but he said it is really stuffy on the buses as well.

The idea of the member for Davenport of looking at different types of public transport is one that we will certainly be considering, and we are more than happy to listen to his ideas. Regarding the trains, we will be interested to see how the new timetable for the Gawler line has been received. I am already receiving information that people are not able to get to work on time. The DSTO employees out there now have to rearrange their day to make sure they can get in and out of Salisbury on time. I am hearing that people are just not able to get on the trains at the stations they used to get on.

My old station, Chidda, is out there. I lived out there and went to Elizabeth South Primary School and Salisbury High School. It is not just Jimmy Barnes who knows that area out there. I know that area well. My mother still lives at Elizabeth Vale. She has a good local member in the member for Little Para and has had dealings with her office, and it will be sad if the member for Little Para leaves this place at the next election. We need to provide transport that is going to work,

and we will see the results of the government's fiddling at the edges in changing the timetables in the next few days, I am sure of that, when the complaints start coming in about the train timetables.

The bottom line is that we need new rolling stock and increased capacity, and this government has done nothing about it. It has taken some seats out of the trains so you have to stand up. That is its way of increasing capacity on the trains. It is just not acceptable. We see promises of rail revitalisation, which is really maintenance by another term, for the Noarlunga line. We are seeing nothing on the overworked 40 kilometres of the Gawler line, and we really need to ensure that is given priority in the future for the people in the north. Certainly, rail electrification is something the Liberal Party will look at as part of its policy proposals for the upcoming election.

Of course, there are the trams. I will not start on trams today. I only have seven minutes left and I need seven hours to talk about what is wrong with the trams and the things that have gone wrong, and I guarantee the Minister for Transport will hear a lot more about the fiasco that is the tram system in South Australia. I weep for what could have been, and what should be there and is just not there. So I am very concerned about that.

The fact is that the economy is going well, but this government wants to be very careful that it does not kill the goose that has laid the golden egg. By a geological accident, we happen to have all the minerals here so we will have a huge opportunity to maximise income from that, but what we will see is a government that has no plans for spending money on infrastructure.

SACOME says that \$20 billion is needed for infrastructure to cope with the mining boom that we are on the cusp of, as they said this morning. We are not seeing any of that coming from the government. Most of the hundreds of millions of dollars—probably hundreds of billions of dollars—that is planned for development and infrastructure and projects in South Australia, I think more than 90 per cent—probably closer to 95 per cent—is private money, so the government really needs to think about what it is going to do to ensure that it has a vision like that of the Liberal Party—a 20-year vision.

As the member for Davenport said, a lot of what the government is doing is messing about with spin and fanfare, which really is not hitting home with some of the punters, particularly some of the rural punters. I was at Cleve the other day—I went across on the ferry and had a beautiful trip. However, it is bad luck that the Lucky Bay road is not finished: it is still dirt. I met some of the transport operators and spoke to some of the business people over there, and I point out that, while this is a national plan to increase the registration on trucks, it will hit home very badly for some of our country cousins.

The owner of a supermarket has contacted the government. I have a copy of his email which was given to me when I was over there. He is lamenting the fact that the registration cost on B-doubles is going to go up from a bit over \$8,000 to over \$14,000. It is nearly an 80 per cent increase in registration. The government should be putting a cap on that and somehow easing the burden of the flow-on effects. As this supermarket owner says, there is nothing he can do other than pass it on to the customers and, as he points out in his email, those customers are suffering from drought and interest rises and now they will suffer from increased rate rises.

The federal government is also making changes to the excise on diesel so there will be an increase in diesel prices which will flow on to transport which will increase prices for consumers and also the cost of production of commodities. We know—and the member for Stuart will be able to tell us a lot more about this—that that area is quite a huge grain producing area, so the cost of producing those commodities will increase dramatically.

The government really needs to take note of the grass roots opinion out there—whether it is in the northern suburbs, across on the West Coast or at Eden Hills. It really does need to listen to them, because it has a golden opportunity. The money is coming in in truck loads. The Treasurer will be like the bloke on the Lotto advertisement in the back of the truck who is jumping up and down trying to keep the money in the truck because it is overflowing. That is what he is like.

The economy in the state is going very well and the national economy is booming, but it is my sad duty to say that I was wrong when I said that the economy in South Australia is booming. It is going well but it is nothing like it should be. There are 26 different pieces of advice that this government has from credible organisations such as Access Economics, the Centre for Economic Studies, ANZ Australian Property Outlook, etc. It has had 26 different pieces of advice about the deficiencies in the South Australian economy, and I will read some of those into *Hansard* now. Access Economics in June 2007 stated:

The states wasted much of the money dropped on their doorstep during the good times. Or, in other words, the states wasted much of the money from the housing boom (which came to them via stamp duties and land taxes) and are now in deficit as a result.

Another comment from Access Economics at the same time states:

Population growth remains well behind matching national gains and the [population] composition runs the risk of being its Achilles heel in the next five years.

It is talking about the South Australian population here. It continues:

That can be seen in the state's workforce participation, which remains flat as a tack and well below the (still climbing national) average.

That comment was made by Access Economics in June last year. The other comment made by Access Economics in December 2007 was:

South Australia was the slowest growing of all state and territory jurisdictions in 2006-07.

The economy is going well but not as well as it should be. Why? As the members for MacKillop and Goyder have said, because of the financial mismanagement of this state. The quotes go on and on, and I will use the last minute of my time to read a few more of them. In January 2008—just last January—the National Australia Bank's Monthly Business Survey stated:

[Across the states] business conditions have also generally deteriorated in recent months—and probably most notably in South Australia.

Our economy is going downhill. What we will see is a state that will languish if we do not do something about it. If we do not get the government to start looking at its priorities, if we do not get a Treasurer who has his fingers on the pulse of the economy of this state, the South Australian taxpayers will rue the day they ever voted this Labor government in, and they will certainly rue the missed opportunities, the lost opportunities, that have been handed to it by a financial windfall from not only GST, land tax and stamp duty but also the windfall that will come from the geological accident that is South Australia with its huge mineral resources. We have a huge opportunity and it is being lost.

Time expired.

The Hon. G.M. GUNN (Stuart) (17:45): I am reluctant to get to my feet—

Mrs Geraghty interjecting:

The Hon. G.M. GUNN: I am pleased that I have the full concurrence of the Government Whip, and I am sure that she will accede to the comments that I will make briefly. I am not sure how many debates of this nature I have been involved in—

Mrs Geraghty: Many.

The Hon. G.M. GUNN: Many.

The Hon. R.J. McEwen: You make the same speech!

The Hon. G.M. GUNN: No. The Minister for Agriculture does not want to judge others by his own inadequacies.

The Hon. R.J. McEwen: It will be the same speech.

The Hon. G.M. GUNN: No. Because he does not have the wit or the wisdom to have an independent view at the present time, the Minister for Agriculture does not want to judge other people. One thing I have always prided myself on since I have been in this august and esteemed chamber is that I have been of independent mind. I do not take kindly to people trying to coerce me into doing things that I do not think are right, proper or in the best interests of my constituents. I think, perhaps, it may have kept me in this place.

The Supply Bill is one of the most important measures that comes before this house. It gives the government the ability to continue to fund the various provisions of services: education, health and hospitals, and various other agencies of government. Of course, the debate is whether the government has those priorities right or whether it has spent money in an unwise fashion. In my constituency, which is large (it is not quite as large as that of the member for Giles; it used to be larger), there are many areas of concern. I have an electorate which is basically in two parts: an agricultural and pastoral area; and an urban centre at Port Augusta. It is true that the Australian economy has been going exceptionally well, and that is thanks to the commonsense policies implemented by the Howard government. It got rid of the debt, it gave leadership and it put in place

provisions which have allowed state governments to have the revenue they needed to provide the basic services of government.

I am delighted that the Minister for Aboriginal Affairs has come into the house because, in my brief contribution this evening, I want to know whether the state government has provided money to the Dieri Corporation, which is an Aboriginal corporation and which has an office in Broken Hill. My understanding is that some \$600,000 has been spent to buy two blocks of land in Port Augusta West, and there is concern about what will be put on those blocks because the land is currently zoned 'rural living'. They are large blocks. People have built homes on them knowing that they will have some space. Questions have been asked, so I want to know whether the state government has put money into it. The interesting thing about the purchase of this land—

The Hon. R.J. McEwen interjecting:

The Hon. G.M. GUNN: The minister wants to listen; he might learn something. The interesting thing is that the land was bought by one Stephen Kenny. He is well known to me. He grew up behind me. He went off the rails a bit. He represented David Hicks, I understand, and that is a matter we could debate. However—

Mrs Geraghty interjecting:

The Hon. G.M. GUNN: Yes, Stephen Kenny and/or nominees. I took the trouble to have a look at the titles—you have to get behind these things—and I found out that it had been purchased by the Dieri Corporation. My questions are: first, why is its registered address in Broken Hill; and, secondly, a sum of more than \$600,000 is involved, so what is this company going to do with it? You cannot put a commercial thing on it.

The Hon. J.W. Weatherill interjecting:

The Hon. G.M. GUNN: I hope it is, but I hope it is not taxpayers' money. I thank the minister. I hope it is not taxpayers' money because I think that taxpayers' money in Port Augusta can be spent in a number of other areas which may be more productive. There is an urgent need for more aged accommodation for all sections of the community. Very large amounts of money are needed. If we are going to have all this development, people will have to start planning a second bridge there. Huge investment will be required. There was some suggestion that another 3,000 people will live in the city. If that is the case there will have to be new water mains because it is very difficult to get connected to the current system.

But the even more important question is whether any attempt will be made to change the zoning. That is the question. Will the state government attempt to override the City of Port Augusta's current rules, because my constituents want to know. I will put some questions on notice. I am pleased that the minister is here. He has heard what I have had to say. A number of questions need to be answered because there are concerns that there may be inappropriate development. People have purchased their blocks with a clear view, with an expectation, that they will have plenty of room around them. They are five-acre blocks. They have made very large investments in building homes. They are very concerned that already there have been 30 or 40 vehicles on a weekend on one of these blocks, and they want to know whether this will continue. They have been to see me and, as their diligent local member, it is my job to ask the questions and to—

Mrs Geraghty: They might have been having a barbecue and invited their friends.

The Hon. G.M. GUNN: If the honourable member wants to have this in her electorate she can. My constituents would be delighted. My constituents have got some concerns, and if you want me to continue I very happy to do so—

The Hon. R.J. McEwen interjecting:

The Hon. G.M. GUNN: I do not mind what the shadow minister thinks. They can shift the blocks down to the electorate of Morphett if they want to, or to Mount Gambier. My constituents have spent hundreds of thousands of dollars and they want to know who will be alongside them and what sort of development. Without fear or favour, let me assure members, we will find out, and I do not mind whose toes I step on because these people have spent hundreds of thousands of dollars—hardworking, good South Australians—with an expectation that they can live there free from social problems. They have moved there to get away from social problems, and if you put people there who have no regard for other people's property or privacy, you will have a problem.

Mrs Geraghty interjecting:

The Hon. G.M. GUNN: If the honourable member does not understand what I am saying, I am very happy on a future occasion to put it on the record, chapter and verse, because I believe that, if you buy a block of land on a certain set of conditions, you should expect them to be upheld. The other matter which in the limited time I have available to me—and I am normally a person of few words in this place—I want to draw to the attention of the house is what is happening in agricultural areas. In the past few weeks, there has been a great deal of discussion in various publications around the country and internationally. There was quite an interesting article in the *Financial Review* today about the high cost of food and the effect it will have on people of limited means.

That may be so, but what has to be clearly understood is that, if you want food production to continue and to increase, you have to do a number of things. That is, the farming community has to be paid a decent reward for the effort they put into growing the product. At the present time, people have to understand that, when superphosphate has reached over \$1,100 a tonne, the cost of Roundup (glyphosphate) has increased rapidly and the cost of diesel is over \$1.50, the cost of production per hectare has gone up dramatically. As the member for Morphet rightly pointed out, if these out-of-touch bureaucrats in Canberra continue to jam up the costs of road transport, that will affect everyone in South Australia, and the further you live from a capital city the more difficult and the higher the cost will be. If you live at Marree, Innamincka or Penong, you will be paying more, and it is an impediment these people should not have to carry.

The other challenge (which for some reason best known to itself the government has declined) is to allow people to move to growing genetically modified crops. I put it to the house that, no matter what decision we make in this house, it is only a matter of time before there will be genetically modified crops. If we are to meet the demands of the world for food, then we have to grow more per hectare. There are very few places in the world where you can expand agricultural production—there are probably some spots in South America and Africa—so more has to be grown per hectare.

The question I pose to the Minister for Agriculture, Food and Fisheries is: how do they intend to stop genetically modified crops coming into South Australia? I ask: have they taken into account the provisions of section 92 of the constitution? I put it to the house that there will probably be a challenge. Far bigger fish have been fried in relation to section 92 in the past, and I suggest the minister reads the excellent editorial in the *Victorian Country Times* which has gone into this in some detail. However, if members talk to people in Canada and the United States, they will clearly indicate to you that there is no alternative.

I have had the privilege of talking to the secretary of state for agriculture in Kansas. I understand that it is the biggest wheat growing area in the world. I have spoken to the people in the department of agriculture in Alberta, Saskatchewan and Nebraska. When you see the Roundup Ready beans and so on and you see the advantages, and when you see the canola crops that have been grown in Canada, then it really does give you something to think about. In Alberta, the scientists said to me that if we want to do what is right for mankind and if we want to be able to provide high quality food at reasonable cost, then we have no alternative and we must move down this track.

We have been modifying crops for a long time and all this is doing is hurrying up the process. It is giving us the opportunity to use fewer chemicals to grow more per hectare and therefore be more productive. That in itself must be a good thing. I would think that most people, particularly those in the environmental movement who do not like chemicals, ought to support it because this means that you use fewer chemicals. I do not know any farmer who buys one litre more than they have to, because using chemicals is a very expensive exercise and it also takes time to spray the chemicals. Agricultural practices in South Australia and this country have proved to be some of the most successful in the world.

One thing that people in primary industry need is for petty bureaucracy to get off their backs and to give them a fair go. As I said in this house the other day, a few months ago, a constituent in the Riverland said to me that every time he sees a blue number-plated car drive up the driveway, he knows that the people in the car are not there to help him, they are there to hinder him. I think he was absolutely right. This particular gentleman—

The Hon. R.J. McEwen interjecting:

The Hon. G.M. GUNN: No, this was Sir Humphrey one or two, but he had a pair of air-operated secateurs and he was up a ladder. He came down the ladder and stood fairly close to the fellow, and the bloke decided that it was time to leave. The poor bloke was trying to pick his

oranges. This year, because he does not have any water, he probably does not have any oranges. Nevertheless, this house has to ensure that, when it passes legislation, some of the provisions do not mean more forms, more levies or more penalties: it is not helping productivity. It is annoying and frustrating busy people who are trying to make a living. One of the other challenges facing agriculture is the ability to get labour. We just cannot compete with the mining industry which is creating opportunities and benefits which the agricultural sector cannot in any way meet because it does not have the resources and the ability to pay the salaries.

[Sitting suspended from 18:00 to 19:30]

The Hon. G.M. GUNN: I am pleased to continue my grievance with a few brief comments in relation to the Supply Bill. In considering this bill, we should be very aware of the change in economic circumstances which appears to be on the horizon. If I was one to make predictions, I would suggest that, in looking at the state budget, we should be aware that there will probably be a considerable tightening of credit. I think there will be other pressures on the economy which will probably affect the household budgets of many people in this state. We have to be very careful in any legislative program that we put forward that we do not unduly affect the economic capacity of our citizens to produce, because it is the role of state governments, in forming budgets, to ensure that they provide adequate services to their citizens.

In my constituency the most challenging services that can be provided are those which ensure that all sections of the community have reasonable access to a good education. The most isolated people in my constituency and in the member for Giles' constituency often have difficulty in accessing certain facilities, and here I refer also to the importance of maintaining health services. The difficulty that volunteer groups such as the ambulance, CFS and others are having in attracting and retaining their members is something that we also need to address, because it would be absolutely unacceptable not to have reasonable ambulance services.

The volunteers do a wonderful job, as do the CFS and the MFS and other service providers. There is a need to maintain hospital services in these isolated communities. When people look at them purely in economic terms, the budgets may not add up too well, but it is important to remember that people in isolated and small rural communities need these services. We will not keep people there unless they have those services. In a modern democracy people are entitled to have a fair share of the resources. Just because you live at Leigh Creek or Marree, it does not mean that you are not entitled to those services.

I firmly believe that for the small communities the budget and the money allocated in this Supply Bill should be utilised to provide those services, as it should be used to ensure that small business is able to continue to provide goods and services. Tomorrow I will talk about the difficulties that one of my constituents has had at Innamincka. There are other service providers in rural South Australia, and one of the real challenges is to make sure that, in the great gusto of the new federal government, it does not sweep away programs that are proven to be very successful.

The AusLink road recovery spending program has been an outstanding success in not only rural South Australia but the whole country. Roads have been sealed which otherwise would never have been sealed, giving those communities reasonable access. It is absolutely essential that those particular programs continue, otherwise the pressures on those rural communities will be even greater, and it is also necessary to maintain the mobile phone system.

We have just had the CDMA system shut down. I am one of those who believes there is a proper role for the federal government to provide adequate subsidies to make sure places like Marree, Innamincka and Blinman have a mobile phone service.

We are trying to encourage tourism, and thousands of people love going to the Flinders Ranges and other outback areas, especially Europeans who want to see open spaces. They do not want to see cities. The first thing that strikes them when they go to places like Blinman, Wilpena, Parachilna or Marree is the vast open space. That is what they want to see. We have to make sure they have some services and they are prepared to pay for services. They like good facilities and they want to be able to ring home, turn on the TV, look at the satellite television, and they want to be able to have a good trip. They do not want to get bogged. They do not want to be in too much dust. They think they are roughing it when they are going in an air-conditioned coach. Well, if they get in a few potholes or in some mud they are really roughing it.

In conclusion, I want to say that programs, like the sealing of the Wilpena Road, are a leftover from John Howard. The passing lanes that are going on the road to Moomba and the extra

money being spent on the Marree Road are all essential and very good. We want to be thankful but there is still more to be done and, therefore, we should be doing these things to support the tourist industry.

Time expired.

Ms CHAPMAN (Bragg—Deputy Leader of the Opposition) (19:36): Thank you, Mr Speaker, and I am honoured with your presence during this supply debate. I rise to speak on the Supply Bill 2008 which essentially makes provision for the first \$3 billion to ensure that our public servants continue to be paid and that services continue to be provided in South Australia in the forthcoming financial year. In expressing my plea to the government, I wish to address three matters that I want it take into account in this budget.

This week we celebrate the Royal Adelaide Hospital Week. A government advertisement today states:

We invite you to celebrate RAH Week with us. RAH week celebrates the contribution the hospital has made and continues to make to the South Australian community. There will be displays in the main entrance foyer showcasing many of the hospital's departments and services including Cardiovascular Service, Health Promotion, Occupational Therapy and the Burns Unit, to name a few.

I am a member of the opposition who applauds the extraordinary history and contribution the Royal Adelaide Hospital has made to the health and wellbeing of South Australians for well over 100 years. It was a sad day last year to hear the government's announcement that it will close down the Royal Adelaide Hospital and move the major tertiary hospital services of this state to the other end of North Terrace. Why? Because it destroys utterly the collocation of a major tertiary hospital, research centre and teaching facility adjacent to the University of Adelaide. It destroys that collocation and its extraordinary advantages.

So important are they that all around Australia they are building and rebuilding hospitals in a collocated arrangement, yet this government wants to tear it down and relocate it to the other end of North Terrace, spending nearly \$2 billion to do it, at a time when it says it is under pressure with financial constraints. So, we do applaud the Royal Adelaide Hospital and the opposition's clear position is that this hospital should be rebuilt, and it will be built when we have the opportunity if we achieve government in 2010.

An honourable member interjecting:

Ms CHAPMAN: No; it is very important that it be recognised. In the same breath, the government has introduced legislation this week to enable the abolition of the IMVS act which effectively brings about the confiscation and compulsory acquisition of \$100-odd million worth of assets and an income stream into the public sector, which will shortly be under the control of Dr Sherbon. I suppose the capturing of that raises the question as to how funding is going to be raised. We have the Glenside campus of the Royal Adelaide Hospital which is an institution which has provided mental health services since 1870 in this state, and about 42 per cent of it is about to be sold off to provide a supermarket and private housing, and the government will retain that.

It also announced in last year's budget that it is going to sell three sites in metropolitan Adelaide which are currently occupied by drug and alcohol services and that they will be relocated in a rebuilt facility at the corner of the remaining Glenside property. So, the sell-off of major assets seems to be the theme, and the promise of big, new, shiny replacements in 10 or so years to deal with our health.

There is one particular aspect that I do want to deal with when I speak on the Supply Bill, because there is one area which I think is in critical need, and that is to do with veterans and the provision of services for them. As many would know, World War II veterans are eligible under a gold card arrangement to have health services in any public or private hospital for whatever ailment and the commonwealth will pick up the tab.

There is a blue card equivalent for those who have seen active service in other conflicts. As I understand how that works, it is that they can have free medical services for an injury, condition or disease arising out of the service that they had. There has to be some direct relationship, as I understand it, to the period of conflict in which the injury, disease or condition was sustained.

In South Australia—uniquely in this country—we have the Repatriation General Hospital. I raise that because the opposition has a number of concerns as to the continued independent governance by the retention of its own board. We have no doubt that the government has made it

absolutely clear that it wants to get rid of the board. It says that it will do it when the veterans—or, as the Premier says, when the diggers—want it, and we have no doubt that they are burrowing away into an opportunity to ensure that happens. So, I expect we will see the demise of the board by 30 June 2008.

Here is the critical matter I want to raise: whilst veterans have access to the general mainstream hospitals, and many of them have to wait in line in those hospitals, sometimes for years on waiting lists for elective surgery, the Repatriation General Hospital has a mental health service. It is called Ward 17. In most veterans hospitals around the commonwealth, as I understand it, Ward 17 is the psychiatric hospital and facility for those requiring help. That is a facility which has not been upgraded for many years, and I think it is important that the government address this issue.

It has rebuilt, from the design and idea of former minister for health Dean Brown, Ward 18, which is a facility which has housed 30-odd patients from Glenside Hospital who have been transferred, that is, civilian patients, if I can describe them in that context. The reason this is so important is that the Department of Veterans Affairs states that some 40,000 veterans receive compensation for mental health conditions and that the current estimates indicate that about 22 per cent of the DVA treatment population receives some form of mental health treatment within any given year, which is much higher than the population at large.

This is terribly important. There are three main areas where veterans need assistance, I am informed. One is post-traumatic stress disorder, and that is probably not unexpected. Combat or war-related post-traumatic stress disorder has a profound effect on the health and quality of life of veterans, peacekeepers, defence personnel and their families, and it is very important that this be treated, with sometimes many years of treatment.

There are anger management programs that have been developed by private mental health facilities particularly to assist veterans, and it is very important that we offer that service for those who are suffering from an understanding of anger, aggression, depression, anxiety and the like. We also have alcohol and drug treatment rehabilitation programs which are also very well used by the veteran community.

It is important that we appreciate the high level of dependence on mental health services of veterans and the importance, therefore, that we at least maintain a reasonable standard of facility for them. I urge the government to take this into account when it is considering its capital works for the forthcoming budget.

I turn briefly to the question of child protection. Families and Communities is the department which is largely responsible for the protection of our children. On 1 April, we received a comprehensive report from former Justice Mullighan QC who was the commissioner appointed by the parliament to undertake an inquiry into children who had either died or been victims of sexual abuse whilst in state care. That has gone over a number of years and has been a gruelling task for the commissioner and those advising him.

The commissioner has come up with 47 recommendations, and the government has announced that it will respond to these by mid-June. I am concerned about that because that is after the budget and, as many of the recommendations the commissioner has suggested will require some financing, we will perhaps be looking at the 2008-09 year before there is any chance of provision for them. I hope that is not the case, and I hope the government does understand the pressing need to deal with this.

Recommendation 43 of the Children in State Care Commission of Inquiry urges the government to establish, as a last resort placement, a secure care therapeutic facility to care for children exhibiting behaviour placing them at high risk. I raise this because this is a proposal that the Liberal Party presented as a policy initiative during the 2006 election in terms of runaway children to enable them to be held in short-term, safe, alternate care. This is still a very important initiative, and we absolutely welcome the commissioner's recommendation in this regard. He understands all too well the need to protect vulnerable children who put themselves at risk when running away from state care and who, for a myriad of reasons, are unable to be safely accommodated with their parents or original guardians. It is very important that we ensure that these children are not left to fend for themselves on the street or remain in unsafe environments.

Backing this up is recommendation 47, which recommends that offences be created to allow the prosecution of people harbouring or communicating with children in state care contrary to a written direction. This is also a very important initiative and one that we welcome, and we ask the government to seriously consider it. Hopefully, we can look forward to seeing legislation that

provides for this. It is one thing to provide a facility for the very pointy edge of children who will not, cannot or decline to be accommodated in foster care arrangements or other state facilities; it is also important that we do not allow the children to be harboured by adults who may abuse them whilst in their care.

We have yet to receive a report from commissioner Mullighan on the abuse of children in the APY lands. The opposition asked the government last year to extend the inquiry to all the Aboriginal lands in South Australia but it declined to do that. There is every indication that the APY lands report, which was due at the end of December but which has been extended until tomorrow, will be as shocking as the first one, and we urge the government to take notice of that.

I would like to refer to the case of a baby girl who died while in foster care in 2004. The mother says that she is seeking an apology and compensation from the government following the release of the first Mullighan report, and says that she does not want anything to happen to anyone else's baby. The story of this little child (and the mother has given permission), who has been the subject of a coronial inquiry, is that young Elizabeth Edwards was born on 4 September 2003 and died while in foster care in 2004. A coronial inquest into the death found that it could have been avoided. The Mullighan inquiry revealed that approval for foster care, granted to the foster parents involved in Elizabeth's death, post dated the incident; even more shocking was the fact that there was no information on the foster parents' file about the death.

Clearly, the record-keeping of the department has come under scrutiny, and the report recommends urgent changes to the Department for Families and Communities' record-keeping systems in order to prevent such tragedies. The opposition endorses that. It is important that the government understands that not only does it have a responsibility to protect these children but also that, where there is avoidable damage to children, it understands that it has responsibility even for something as simple as record-keeping. This will ensure that we have accurate and efficient records that can prevent the death or harm of children, and it will assist in averting the potentially fatal situations that we must all work together to avoid.

It is a shocking story, one of hundreds recorded in that report and one which will require financial dealings. The government has announced that it will make provision for some compensation for these children (some who are now adults) who were victims whilst residing sometimes in foster care, sometimes in past institutional care, but under the supervision and responsibility of government and ministers. We are yet to see how that will unfold. It is a first step. I want to place on the record my thanks to members of parliament, particularly the Hon. Rob Kerin, who fought very hard over a number of years to have the inquiry the first place.

I wish to relate a housing matter which astounds me. In the six years of this government we have had announcements about all sorts of things: telephone assistance lines as to where to get accommodation; new websites; new pamphlets; some low interest loans that have been expanded on previous models; and legislation to deal with housing affordability, such as requiring developers to have as 15 per cent of every property development affordable or high-risk housing, which ultimately became a voluntary option in that legislation.

We have had these announcements along the way. We have had what I call boutique developments funded or supported by the government to provide for little clusters of housing. However, the situation is this: we have 30,000 people on the waiting list for housing, for access to housing in this state. Many of them have multiple needs, such as mental health issues, single parents with dependent children living with them, people with disabilities, chronic levels of poverty, and the like. They are in desperate need of housing and they will never ever be in the category of people who can afford to access the private rental or purchase market. The circumstances at the moment make it even tougher. We know about those national aspects.

However, on 13 February 2002, Premier Rann announced an election promise prior to the government being successful in that election. He stated, 'There will be no sale of our Housing Trust.' There had been repeated criticism of this by governments in the previous two decades which covered the Bannon, Brown and Olsen administrations. There had been enormous criticism of the sell-off of public housing without a replacement and expansion of affordable and accessible housing for those who cannot access the private market.

Yet, within five years, having sold off nearly 6,000 houses in that first period—that is, from taking office until 2005—by 2007 minister Weatherill announced that it was going to sell off another 8,000 houses. He said it was necessary to make that announcement because the government had an obligation to pay a commonwealth debt. He complained, probably as most state housing ministers around the country did, that in 1996 when the Howard government came in it reduced the

overall funding under the Commonwealth-State Housing Agreement for access to funding the development of housing—and he was right. All of them suffered the same plight.

However, the interesting thing is that all the other governments, except in Tasmania, had been able to increase their housing stock in the lifetime of their governments, whereas we had continued to decrease ours. Let me give members an example: notwithstanding the claims of the necessity to sell off stock to save the Housing Trust, the truth of the situation is that, from 1996 until the end of 2005—that is, over a 10-year period—New South Wales, Victoria, Queensland and Western Australia have had an increase in the total public and community rental housing stock.

In New South Wales it went from 133,675 to 138,580; in Victoria from 66,934 to 71,042; in Queensland from 54,224 to 57,289; and in Western Australia 35,799 to 37,392. What happened in South Australia? Well, in that period we plummeted by about 9,000 dwellings, from 60,698 to 51,628. Now we are about to have a huge sell-off of another 800 homes a year. So, I do not accept, and I do not think that the parliament or the people accept, the excuse for the need to sell off homes because of the funding situation under the federal housing agreement. Except for this state and Tasmania, every state has been able to increase its stock.

An honourable member interjecting:

Ms CHAPMAN: And Tasmania. That is not acceptable. It is not sufficient to complain about this and not have some parity with the rest of the country.

As I say, the government's answer is to have these boutique proposals for small numbers, and we get these announcements of 20 or 30 at a time. Let us hope that it does provide the people concerned with secure and safe housing. However, 30,000 people are on the list. When I asked the minister last year how much longer someone in category 3 would have to be on the waiting list for a Housing Trust home, if someone else had already been on it 17 years, he could not give an answer. He said, 'Well, if she has a chance to get into category 1 or 2 and get up the list, she might have a chance to get a house.'

The real answer is: there is no chance at all of getting a Housing Trust home. She may as well be taken off the list. It is cruel to leave her on it, as she will never get a Housing Trust home or affordable housing in this state as a category 3 person. Why? Because she is not in the category of high need, and she will never qualify.

Time expired.

Mr GOLDSWORTHY (Kavel) (19:56): I, too, am pleased to make a contribution this evening to what is obviously quite an important piece of legislation, that is, the Supply Bill, which ensures that adequate funding and resources are channelled into the respective areas of government—the bureaucracy, the departments, the police, the emergency services, and all those very important undertakings—to maintain the operation of the state until the budget is brought down and, consequently, the funds flow for the ensuing 12-month period.

As we have heard over the course of the afternoon and into the evening, particularly from this side of the house (and this has been put very well by the Liberal leader, the deputy leader and other members), the condition of the state's economy and finances could be in a significantly improved position.

I think I am someone who has a reasonably positive outlook, and I like to look at things in a positive light and assess them objectively. The figures before us (and in previous careers I have had some experience in looking at figures, assessing them and deriving outcomes from them) reveal that this government has had the best economic times of any government in the history of this state, as the leader quite accurately pointed out earlier this afternoon..

Over the past six years or so since this government has taken office, we have seen an increase in revenue of almost 50 per cent. It was about \$8.5 billion in 2001-02, and this year it is \$12.4 billion. If you look at the forward estimates, you will see that in 2010-11 the estimated revenue is \$13.8 billion—almost \$14 billion, which is an incredible amount of money by any stretch of the imagination.

I have not done this research, but I intend to do so, that is, to go back to the historical figures of the state and see when there has been a budget increase of 50 per cent. Through the nineties the budget was tight. The Liberal government came to office after the absolute debacle, crisis, or whatever description you like to use, of the State Bank collapse.

Actually the budget decreased, so the Liberal government at the time was trying to maintain services with a decreasing budget. I intend to do that research, and go back through the years to see how many budget cycles it took for it to get from, say, \$4 billion to \$8 billion when we left office.

As the leader quite accurately highlighted in his speech earlier, with the windfall revenues that the Treasurer has been so fortunate to receive, two gorillas in a Volkswagen—if you picture that, that's quite an interesting image—could have managed the budget and the economy of this state. The Three Stooges could have managed the budget with the windfall revenues, and we saw this quite humorous website a couple of weeks ago where the Premier, the Deputy Premier and the Minister for Infrastructure appear as the Three Stooges. I think that that is quite an accurate comparison in today's political environment and the current economic situation that the state should be enjoying.

We should see an enormous amount of infrastructure and improvement in delivery of services resulting from the significant windfalls that the Treasurer and the government are receiving. Highlighting some other figures, the 2007-08 midyear budget shows that the Premier and the Deputy Premier, who is also the Treasurer, will collect \$3.9 billion more in revenue this year than the former Liberal government collected back in 2001-02. What has happened to it? Where is the dividend for South Australia? What have we done with that additional \$3.9 billion? Have we seen any significant improvement in our hospitals? No, we have not.

We have this grandiose half-baked scheme to build a hospital down on some railway yards for about \$1.5 billion. What an incredible amount of money and, as the leader points out, it is over a 30-year term, which is no better than a hire-purchase finance agreement on your car. The total sum repayable over that period is a bit like a housing loan, only in a significantly greater amount. A mortgage is repayable over a 30-year term and you might borrow, for example, \$150,000—

Mr Kenyon: For a car?

Mr GOLDSWORTHY: No, I am talking about a home loan. In amortising a home loan of \$150,000 over a 30-year term, you pay significantly more, obviously, than that original principal of \$150,000, and exactly the same will happen with this newly-proposed hospital down at the end of North Terrace. We just heard the deputy leader speak about the reasons why the hospital should not be built down there.

We have the university adjacent to the current RAH precinct, and we have the Medical School on the same side of Frome Road as the hospital. It is a teaching hospital, with a proud history in the state in training world-class doctors, and now we will see that being relocated to the other end of North Terrace, creating a whole host of logistical problems.

The state Liberals' policy—a very good policy I must say—is to rebuild. We can build a new hospital on the existing RAH site for a significantly lesser amount than the (likely) \$1.5 billion that it will take to build the Marjorie Jackson-Nelson Hospital, and that saving of roughly half a billion dollars will go into improving the health services delivered to all of South Australia—and I will speak about some health services in my particular electorate shortly.

I also highlight that the government has massively underestimated its revenue collections every year. In the period from 2002-03 to 2006-07 the government collected almost \$3 billion more than it anticipated, mainly from state-based taxation (including land tax) and significant windfalls from the GST—a taxation that every Labor government in the land opposed. Every Labor government around the nation opposed the introduction of a GST, but they certainly do not oppose it now because they realise it generates an incredible amount of money that goes to all the states through the horizontal fiscal equalisation formula. I know that the Treasurer likes to run out that terminology from time to time in order to indicate that he knows a bit about money and managing the economy, and so on. The point is that the GST has been a windfall for all the states.

Members opposite opposed it—like they opposed Olympic Dam and Roxby Downs—but today the Premier was in here crowing about how tremendous BHP Billiton is. We supported BHP Billiton's investment in the state, but the Premier opposed. We know what he did when he was a staffer to a former premier. He undertook some scurrilous activity at the time by releasing a report to the media. That activity was highlighted and the credibility of Mike Rann as a staffer was certainly tarnished as a consequence of that activity.

Labor strongly opposed Roxby Downs and now members opposite are its strongest supporters. One cannot have one's cake and eat it; one cannot say one thing one day and say

something else another day. Members opposite have to be consistent in their policy. If they are not they will lose credibility out in the community.

Mr Kenyon interjecting:

The SPEAKER: Order! The member for Newland is out of his place.

Mr GOLDSWORTHY: And interjecting, Mr Speaker.

The SPEAKER: He can interject, as long as he is in his place.

Mr GOLDSWORTHY: The government keeps changing its position on these extremely important state initiatives and state projects and members opposite lose their credibility in the community. The way in which the polls are trending at present, the government is going this way and the opposition is going that way, and the community is starting to realise that members opposite are all about symbolism, stunts and pranks—and nothing more.

What have you done in the six years since you have been in government? We have a tram down King William Street and North Terrace and everyone is complaining about the traffic jam on the corner. We could have told the government about that. In fact, we did tell members opposite about it at the time. We told them it would create traffic problems along North Terrace, but they did not want to know about it. The tram was going ahead and that is the only thing the government has built—and it cost \$10 million more than was originally budgeted for. It was costed at \$21 million and it has blown out to \$31 million, and if I had the time I would give more examples.

We want to know where the money has gone. I can tell members where the money has gone. It has gone in the unaccounted-for explosion in Public Service numbers. The figures from the Commissioner for Public Employment show that between 2002-03 and 2006-07 there has been a blow-out of 17,000-plus full-time equivalent public servants. That is an increase in public servants above budget. We know that the Treasurer in estimates a couple of years ago disputed those figures. He said:

We do not have full confidence in the numbers that the OCPE have produced. We are not confident in the data collected by the Office of the Commissioner for Public Employment despite its best endeavours.

The Treasurer has put a question mark over those figures, but if we look at the figures in the budget papers—the information the government provides to the parliament, to the state and the community—we find that they show from 2002-03 to 2006-07 that there has been a blow-out of 10,000 plus FTEs in the Public Service. That is where all the government's money has gone: in an uncontrolled blow-out in the Public Service.

During estimates last year and the year before the state Liberals continually asked: where are those people? We do not see many more police on the beat. We have a crisis in our hospitals at the moment, with 100 plus doctors in our public hospitals threatening to strike or resign. God help us! If they walked out, where would the public health service be? I am not joking—this is a seriously concerning issue. If 100 plus doctors walked out of our hospitals, what would happen? It would be tantamount to the State Bank again. John Hill, the Minister for Health, has a lot of work on his hands to endeavour to rein in that issue.

I have friends who are doctors and by nature they are not militant, complaining, whingeing people but are highly trained, caring, compassionate and professional. Their ideology, their reason for going into medicine, is to try to help the community, to help people less fortunate in the community who suffer from ill health. That is their motivation for studying medicine and becoming a doctor. The government has an enormous amount of work on its hands to remedy the crisis we face in our public hospitals.

Talking about the blow-out in public servants, I will cite a couple of examples. Where are these people and what jobs do they do? I live in the Adelaide Hills and my next door neighbour lives a couple of hundred metres down the road. He has a burglar alarm on his house with a flashing light if the alarm goes off. My wife was home the other week and the neighbour's house alarm went off. She rang the 131 444 number—the police line to which you report incidents—and she said that she thought something untoward might be happening at our neighbour's home. Our neighbour is a policeman, and my wife told the police reporting line that there was a potential burglary going on in the home of one of their own. The response was, 'Oh, we don't come out to house alarms; it's probably monitored anyway.' They had no idea whether or not it was monitored. My wife was talking about one of their own, and they were not even prepared to send out a patrol to check on whether a burglary was taking place at the home of one of their own.

So, where are the extra 400 police that the Treasurer when minister of police promised the state? When I was a lad I used to drive around and have a bit of fun around the district or just cruise around on a Saturday afternoon, and there used to be patrol cars constantly cruising up and down North East Road, through Tea Tree Gully and around the north-eastern suburbs. Now if you drive around you would hardly see a police car all afternoon. Where are the extra police? They are nowhere!

The Hon. J.M. Rankine interjecting:

The SPEAKER: Order! The minister is not only not in her seat, but not even sitting in the benches. The member for Kavel.

Mr GOLDSWORTHY: Thank you, Mr Speaker. The claims of this government that it has increased police numbers is a farce. It has not increased police numbers at all because, if it had, it would have more police out in patrol cars, out on the beat, who would be able to check on potential burglaries, even in one of their own members' homes, so it is an absolute nonsense.

I close by touching briefly on another point regarding matters in my electorate and that is the stark lack of funding for infrastructure. I have raised in the house before—and I will continue to raise it until something happens—the critical need for a second freeway interchange on the South-Eastern Freeway at Mount Barker. As we speak, 835 new homes are being built in Mount Barker. A whole tract of farming country has been opened up for residential development and, if a second freeway interchange is not built, it will cause absolute traffic chaos. We heard the member for Davenport talk about traffic related issues in his electorate. I tell members that it will be tenfold worse in Mount Barker than the member for Davenport was describing.

Time expired.

Mr PENGILLY (Finniss) (20:16): I am very pleased to make a contribution tonight. Like the member for Stuart, I am becoming reluctant to get to my feet, to quote him, but never mind, I will try and entertain the troops here tonight for a while. I thought the member for Kavel did an outstanding job and, quite clearly from the interjections from the chamber, and the gallery as well, he is no doubt hitting the mark, so I am pleased to come in here and have a few words to say myself.

Given who is present in the chamber, I think it would be appropriate to start my few words with the local government portfolio. I am beginning to wonder where this government is going with local government. There is no direction and there are no policy announcements. I am of the view that the minister has been told that she is not allowed to do anything, so she follows along the way things are, we are not going to have anything new and we will not disturb the troops anywhere. I think it is imperative that the government does spend a few dollars and does try to introduce a few reforms into the government, and I will be interested and most keen to see them when they are presented to the chamber. At this stage—

The Hon. J.M. Rankine interjecting:

Mr PENGILLY: Ah, a voice from the deep. There is nothing happening.

The SPEAKER: Order! The minister knows better.

Mr PENGILLY: Thank you, Mr Speaker, for that protection. I need some protection from time to time because I am a quiet fellow. I think local government is looking for some direction, and after tonight the government could introduce into the chamber some worthwhile reforms and ideas on where we can go. I will be pleased in a bipartisan manner to assist the minister at any time possible to come up with some reforms. We have this department for local government relations, but I am not sure that that hard-earned money is being spent properly and I think we will need to have a good look at that in due course. I look forward to the budget and, indeed, to budget estimates where we can go through some of that material in detail.

Councils are no different from a lot of organisations. They are facing increased cost pressures. Of course, interest rates are knocking their ratepayers around and making it more difficult for people to pay rates and for business to develop. The price of fuel is one of the major issues for councils at the moment in framing their budgets for the next 12 months. Fuel prices are horrendous and councils are locked into performing certain tasks that they have no way of getting out of. I think one thing that the government needs to look at is the enormous windfall it has had from the GST, which is something it had previously rejected. It needs to pass a bit down the gravy

train and try to assist local government. As my good friend the member for Kavel said, it is well known that members of the Labor Party did not want the GST at all.

Mr Goldsworthy: They hated it.

Mr PENGILLY: Yes, they hated it. They never wanted to see the GST. But, my God, don't they love it now! If they want to sit over on the other side and drink vinegar and suck lemons, that is fine. We want to get on with the job. Local government needs assistance, direction and leadership and, God knows, it is not getting any leadership from the Rann government: it is not getting anything whatsoever.

Mr Piccolo interjecting:

Mr PENGILLY: My good friend the member for Light, who was a mayor in another life and a former colleague of mine, knows how hard it is. He should be arguing strongly for local government to receive some help. I now wish to turn to the tourism portfolio. We seem to have a bit of a hiatus here—

Members interjecting:

Mr PENGILLY: I am having trouble being heard, Mr Speaker. There are a lot of interjections.

The SPEAKER: Yes. The member for Kavel will stop interjecting while the member for Finniss is speaking.

Mr PENGILLY: Thank you very much indeed, Mr Speaker, for that protection. We will move on, because I can always come back to local government. I am very happy to come back to local government, but I think that perhaps I should talk about one other area in my portfolio, that of tourism, and my concerns about the reductions to the marketing budget and, indeed, make a plea to this government—and I am glad that the minister is here, because she can pass it on to cabinet.

I hope that, in its wisdom, the government will put more money into marketing for tourism in South Australia, because it is absolutely dudding the show at the moment. It has cut back the budget and placed another 40 people, I think, into the administration area of the SATC at the expense of the marketing budget. The problem with my friends on the other side is that they do not really understand business. They are put in this place by people for whom they have done favours, or whatever. I know that the member for Napier has run a successful business but, when I look at members on the other side, I do not reckon there are too many others who have done so. If you put them all up against the wall, you might get one or 1½.

If you want to make a dollar you have to spend a dollar, and if you want to spend a dollar in the right area in tourism you have to put it into the marketing budget. Our representatives need to travel overseas and around the rest of Australia and tell people what South Australia has to offer. It cannot be left up to the operators all the time. You cannot cut off your nose to spite your face and put more people in the bureaucracy: you have to get out there and spend hard dollars on marketing.

One may well ask: how does Pengilly know anything about that? I used to have a bit to do with tourism: I was involved in the industry. Apart from being a mere humble farmer I have also been involved in tourism and I know something about what goes on, and I can tell members what the industry is saying; it is saying that we are rudderless with respect to tourism. It is all well and good to run around and turn up at events, but we have to do the hard yards if we want visitors to come to South Australia and, indeed, to Australia.

This area has been steadily eroded and cut back and, in these times of high fuel prices and high interest rates, South Australians are looking extremely carefully at where they spend their money. In fact, even when considering a day trip to my electorate or to the Barossa or the Yorke Peninsula, people are starting to look at those things. It is starting to become a luxury, because they are looking at \$100 just on fuel for a day out. A lot of working families do not have that sort of money to toss around on that kind of thing. When they have to pay their mortgage and pay for their children's education and school charges, and so on, these things become very difficult. So, the first things they cut out are the luxuries.

You only have to look at what happened today regarding Le Cornu's, which has cut back workers. The unions put out the story that they had not been consulted and this had not happened, or something else had not happened. I can tell the house that I have seen the letter, and they knew all about it. My colleague the member for Unley can produce it, if he has not produced it already.

They knew all about it—they were telling porkies. Everyone knew what was going on, and they fluffed around the edges and put out this story that they had not been consulted.

Well, I can say to the house that is it absolute, total nonsense. (I was going to use another term but I am too polite.) I want to see the Rann government and the minister push the cause of marketing in the state budget this year and show what she is made of and advance the cause of the tourism sector in South Australia. It is a huge sector as far as employment goes, and putting money into marketing has an enormous multiplier effect, which would be in the best interests of the South Australian economy.

Let me turn to the southern suburbs. We have had a few ifs, buts and maybes and a bit of a chat here today about the northern suburbs, and a few people got their fingers burnt. I can tell you, Mr Speaker, that the amount of money this government is putting into the southern suburbs is an absolute disgrace, and it should be ashamed of itself. How the Rann government can stand up and say that the southern suburbs are getting a fair deal, I do not know. I say to the members who come from that way: you want to get a few of the phone calls I am getting, and I intend to raise the matter of one of those phone calls tomorrow in another forum in this place. I can tell members that they have had a gutful in the southern suburbs. They are fed up to the back teeth. They have antiquated, clapped-out trains that do not run—

Mr Piccolo: And a one-way road.

Mr PENGILLY: I am glad the member for Light mentioned that: that is really good of him. I am absolutely delighted that he mentioned the Southern Expressway, because when the Liberal government, led by Dean Brown, was elected in 1993, this state was stone, motherless, flat broke because of the incompetent mob of clots on the other side. And who was part of that team? None other than Premier Rann. He helped bankrupt South Australia.

So, if the member for Light wants to raise the matter of the Southern Expressway, let him go for it, because I can tell members that if you want to shut down the thing tomorrow you will find out how popular that would be. The money was found from a state that was in an absolute debacle and that road was built; and, for the member for Light's benefit, provision for the other half of the road was put in place and is still there. But what has this mickey mouse outfit done about it? Absolutely sweet Fanny Adams! Not a thing! They sit there and make fun of it, but I can tell members that it is a fantastic piece of road that was put in with no money, and it should be completed, and you people should be held to account for your failure to do it.

Mr Pederick interjecting:

Mr PENGILLY: And then we get the member for Bright who, in her budget reply speech, stands up and waffles on about railway sleepers. I tell you what they want down there: they want the train extended to Seaford. They want reliable, clean and good trains. Perhaps the government can electrify the train system. Perhaps it could get busy and do that, because I have not seen too much action down there.

Mr Pederick interjecting:

Mr PENGILLY: The more you talk I am just starting to get warmed up, member for Hammond. You will be right: you will get your turn. Quite frankly, the amount of money that has been put into that area is an absolute disgrace.

Let me turn to something else. We have got a department, or a section of the government, that is allocated for the southern suburbs. I think it has two staff. So what do people say to me? They ring me up and say, 'Where can we go into this department?' I say to them, 'You have to catch a train; it might take a while. Or you can drive in, because it is slap bang in the middle of the city. If you come into the city you'll get bogged down on North Terrace, because Patrick's trams have stuffed up the traffic. But get in there, and if you find a car park then you can find the Department for the Southern Suburbs. There is only two of them and, if you're real quick, you'd be able to make an appointment.' The government says, 'Yes, we've got a Department for the Southern Suburbs, but it is on North Terrace.' That is pretty handy for those people down south. You have got people in all sorts of bother down there. Mitsubishi has gone. Very few people out of Mitsubishi have found jobs. I saw some figures very briefly today. I do not have them in front of me, but very few people from Mitsubishi have found jobs.

The minister was running around having a bit of love-in last night saying, 'Everything is tickety-boo. We're putting millions of dollars into it.' These people need jobs now. They need to be able to earn money to pay their mortgages, to feed their family and to put their kids through the

multitude of things they need, whether it is education or sport. That is what they need. They do not need hollow promises from the Minister for the Southern Suburbs. They need action and they need it now. I am very pleased that the mayors of Marion, Mitcham and Onkaparinga are doing something, because if you wait for this lot over the other side to do something nothing will ever happen—we'll all be dead! It is a travesty of justice.

I really do not know what is going on with this government, where it is coming from or what it is doing. Apart from the three on the front bench there (who you hear every day), the rest of them over the other side are sucking vinegar and lemons—not looking happy, not doing anything. They all look as though they do not want to be here. Even when one of their backbenchers gets up to ask a question, they are all waffling on down here on the front bench. I think it is absolutely disgraceful.

The Hon. J.M. Rankine interjecting:

Mr PENGILLY: Here we go again! It's started already! The contempt with which the people of the southern suburbs are held by this Rann government is just amazing.

Let me turn to another area of my portfolio. The Liberal Party has had a shadow minister with respect to veterans for a time, and it is actually going quite well. We have picked up on a few things. The Rann government wanted to dud the vets at the Torrens Parade Ground. Well, we held it to account on that. Now what do we have? We have this wonderful announcement on ANZAC Day that we are getting a minister for veterans affairs. You beauty! I reckon we have won that round. I will be delighted to see how that goes. I will be delighted to see how the government will create this department, who it will put in there and who will head it up. I reckon I can guess who will head it up. I reckon I can guess that already. I know that, but we will keep that one secret for a while.

Moving between the southern suburbs and my electorate, I would just like to pick up the issue of the road between Adelaide and the South Coast called the Victor Harbor-Adelaide Road. Just as a starter, it would not be a half bad idea if you could even do something about getting off the Main South Road—or the Victor Harbor Road, vice versa—when you are coming back onto the Main South Road. It is an absolute bugger's muddle!

Cars are piled up there a kilometre long on busy days. You cannot get off there. It is a little like the Britannia roundabout. The government has not fixed that up. There is a host of things the government has not fixed up. It stuffed up the Murray; that is what the Rann government has done. It stuffed up the Murray. It has got no answers, and it cannot even come up with a decent solution to—

Ms Breuer interjecting:

Mr PENGILLY: I will turn to the member for Giles' area in a minute. I had a very nice cup of coffee up there just recently. I had better get going. I raise that point. That 20 minutes has gone quickly! A few things need attention in my electorate, none more so than the new TAFE college to replace the abysmal disaster down there at the moment which was promised in 2002 by our government, the Liberal government, and which was just abandoned by this Rann Labor government.

You ought to be put up against the wall and shot. Everything is there. I have put up the ideas. Fortunately, the minister listens to me, for which I am most grateful. I find him a fine fellow, indeed, and I am sure he is working hard, but I reckon he gets rolled in cabinet time after time. It is a bit like backflips on disability things. There are some major issues in my electorate, and I will briefly run through them. Public transport is a large issue, with a large community of retired and elderly people and also people on lower incomes who cannot afford to travel back and forth. Public transport between the South Coast and the metropolitan area is critical. The poor old councils, once again, are trying to put something in place, and they are struggling to do so. I think they will. We have three very good councils on the Fleurieu—Yankalilla, Victor Harbor and Alexandrina—and they are working well together.

Water is an issue. We need water on the western Fleurieu. You cannot keep sticking \$300 million a year into the general revenue of SA Water and not spend anything on infrastructure. Honestly, you guys on the other side could not run a chook raffle. If you ran a chook raffle, I reckon that, if you won it, you would get feathers and no meat. That is how I reckon you are going—feathers and no meat. Another issue is crime on the South Coast. I am receiving constant complaints and concerns are being raised about crime and the lack of police around the place. They try very hard. I conclude my remarks.

Mr PISONI (Unley) (20:37): I, too, rise to speak on the Supply Bill. I want to point out and reiterate what some of my colleagues have said previously. We have seen an enormous growth in the state budget. We have seen a growth from \$8.7 billion in 2001-02 to an anticipated \$13.8 billion by 2010. That is an extraordinary amount of increase in revenue. It amounts to \$5.29 billion extra in government revenue that this government has received through the introduction of the GST and gaining GST revenue, and the enormous increases in revenue from property taxes, stamp duties and payroll tax.

Payroll tax is an interesting scenario. I am the shadow minister for small business, and as a former small business person I did pay payroll tax. We have seen a 45 per cent increase in the collection of payroll tax in that same period: \$601 million in 2001-02 to \$871 million now. We have seen an increase in the number of businesses that are caught in the net of payroll tax, if you like. Businesses have grown, payrolls have grown; and payrolls have grown even if the number of staff has not grown because we have had a growth in wages during that time. In 2001-02, just over 7,000 businesses were paying payroll tax, but now over 9,000 businesses are paying payroll tax. They write a cheque out to Mr Foley at a rate of \$5 for every \$100 they pay their staff.

I welcome the debate that Martin Hamilton-Smith, our leader, has brought to South Australia on tax reform. I am looking forward to our summit on 12 May in this house. We have received over 40 submissions from business groups, business people and the general community about reform to taxation. Of course, the Prime Minister, Kevin Rudd, has also said that taxation reform should be a major priority and, in particular, he was referring to state tax. We have had some major reforms in the federal arena, with the introduction of the GST, which the Labor Party opposed at two federal elections and has opposed at every opportunity it has had in this chamber. The Labor Party opposed the introduction of the GST, yet it is a major tax reform that has given us a growth economy—an economy that has provided enormous benefits and enormous growth to the state budget not just here in South Australia but also around the country.

Something that many people tend to forget is that the top marginal tax rate in 1996 was \$50,000—you had to earn only \$50,000 and you were paying 47 cents in the dollar, plus your Medicare levy. Now, of course, with the new round of tax cuts to take effect in July, you will have to earn \$180,000 before you pay the top marginal tax rate, and that is nowhere near 47 cents in the dollar. So, there has been significant tax reform. When Prime Minister Rudd said that we need tax reform in this country, it is obvious he was talking about state taxation reform, because we have not seen any changes in state taxation; there has been no significant reform for many, many decades.

If we look at the increases in property taxes—again, a tax on investment—we have seen a 96 per cent increase in revenues raised through property taxes. Tax on insurance has gone up 33 per cent, and motor vehicle taxes have gone up 26 per cent. This is a state that relies heavily on motor vehicle manufacturing, yet we see motor vehicle taxes are up 26 per cent. We have seen no financial relief for long-suffering families and businesses, no stamp duty relief for first home buyers, and no extra concessions for financial assistance for older South Australians.

As a matter of fact, first home buyers have really done it tough. I am not sure I am ever going to get rid of my kids. They are 12 and 14, and they have their own area upstairs—their own lounge room and their own room—and we have made it comfortable for them. We certainly hope they will be able to afford to get into the home market when they are ready to leave home because, as much we love them, we do not want them still living at home when they are in their 30s, and we certainly do not want them bringing up their own families in their parents' home.

Stamp duty plays a large role in home affordability. City planners and architects are telling me that one of the biggest problems we have with housing affordability and supply in South Australia is that we do not have housing choice. The reason we do not have housing choice is that it costs a lot of money to sell one house and buy another because of the stamp duty you have to pay. For example, in the electorate of Unley, the average price of a home is around \$700,000, and stamp duty on that amount is nearly \$32,500. Even if you buy a modest property valued at \$300,000, which is around about the median house price in South Australia, you are paying nearly \$11,500 in stamp duty.

So, what do young couples who marry in their mid-20s and make a lifestyle choice to be life partners do? They are not necessarily ready to start a family at that time, but they go out and buy the family home immediately, rather than buy a smaller apartment in, say, the city. We need more life in the city, we need more young people living in the city. We have plenty of room for higher density housing within the square mile of Adelaide, particularly in the south-western corner

where there are plenty of facilities. It is near the market, restaurants, parks and gardens. It is a great place for young people to live, particularly if they work in the city.

However, if they were to spend a couple of hundred thousand dollars on an apartment in the city, they know full well that they will have to pay nearly \$7,000 in stamp duty and then, in five years' time when they are ready for the family home, they will have to fork out another, say, \$11,000 to \$16,000 in stamp duty for the family home. So, they are going out and buying that family home immediately, and that is reducing the choice of housing that people have here in South Australia.

At the other end of the scale, we see couples who we describe as empty nesters. Their children have grown up and moved out of their home and, consequently, a three or four-bedroom house is no longer required by a couple who may be contemplating retirement and a lifestyle closer to where the action is: where the restaurant or shopping strips are, or at the beach. They have very large stamp duty costs, of course, when they sell their home and go out to buy their apartment. Even though they might end up with a bit of money to put in the bank, the government could take up to \$30,000 or \$40,000 of that in stamp duty.

Consequently, the net effect of that is that they are not selling their home, which puts pressure on the price of the typical family-type home, because the stock is being locked up and it is not being sold. It is simple supply and demand economics, and I note that the member for Finnis, with his worldly experience, is very familiar with that.

We have seen a dramatic increase in GST payments to the states. When the GST was first introduced, it was a little over \$2 billion and now we are heading up to nearly \$5 billion. The government is rolling in money, yet we see fights and readjustments to budgets. In my portfolio, in particular, we had a relaunch of the Premier's be active challenge earlier in the year. This is what happens, of course, when we keep recycling the same marketing, the same announcements or the same stunts, which this government is used to doing and on which this government has modelled itself.

We saw that again by the Premier himself this week when his major economic contribution to the debate was to write a letter to the Reserve Bank, knowing full well that it is independent. He did not just write a letter: he wrote the letter, held a press release and made a ministerial statement—a big song and dance about writing a letter to the Governor of the Reserve Bank, begging it to hold down interest rates. Of course, we all know that the Reserve Bank is independent. The previous Howard government made it so and, of course, the new Rudd government intends to keep it so.

The Premier feels that this is a way for him to look as though he is doing something when he knows full well that he is not. He is out there offering false hope. It is a bit like a recycling of stunts, and that is all we are seeing from this government. The government has been in office for six years and we have not seen any new ideas; even its stunts are recycled. This was the third occasion on which the Premier wrote to the Reserve Bank. What happened since the first time he wrote? Since the first time he wrote, we have seen 13 increases in interest rates by the Reserve Bank.

So, I would say to the Premier: please do not write again, because we cannot afford it. Just keep that in your back pocket, Premier. We have 'Rann Gets Results I'. It is a bit like a Rambo movie: the first one works really well; it is a sell-out and everybody loves it. *Rocky I* is another one. There was a slight change to that movie for the next release, whereby *Rocky II* had a reasonably good following, but the audience numbers dropped off a little bit. Then, of course, *Rocky III* and *Rocky IV* came along and they were the same as the others. People get bored; they have seen it all before. They know what the story is going to be, and they lose interest. That is what is happening with the Rann government. We are seeing 'Rann Gets Results I, Rann Gets Results II', and now we are into 'Rann Gets Results III'. However, it is not a blockbuster, I am afraid.

It is interesting that, after the Premier's stunt yesterday, we had the Minister for Transport telling *The Advertiser* this morning, 'We don't do stunts. We are a government; we don't do stunts.' Well, this government lives on stunts; it thrives on stunts. Basically, if we do not see a stunt from the government, we do not see anything happening at all, unless, of course, it is a backflip, a reaction to a media scandal, or something that has been leaked out of the government that it has lost control of.

Let me get back to my portfolio and the Be Active grants. Here we see another stunt and an almost Academy Award performance from the Premier and the Minister for Education. We have a program called Be Active—Let's Go! which is funded to the tune of \$4 million. That funding

includes equipment, training of teachers and additional facilities for schools to get kids out there in the playground. Of course, that program was successful: it got kids out there, running off the energy they were consuming, getting fitter and becoming healthier.

However, despite all the money that the government has been raking in, we see a cut to this program from \$4 million down to \$425,000 a year. What do we get for that? We get kids sitting at computers. We were told that kids live too much of a sedentary lifestyle. The Premier rebadges an active program, for which \$4 million a year has been provided, and cuts it back down to \$425,000. He puts his name in front of it—the Premier's Be Active Challenge. What does he think that is worth—\$3.5 million a year? I do not know. He puts his name in front of it and it is relaunched as the Premier's Be Active Challenge.

I think that the media is waking up to this game. A media alert went out to the TV stations for the launch of the Premier's Be Active Challenge and, guess what? No one turned up! They have worked it out. It is a cut; they know it is a cut. The media is becoming wise. As I said, they are now up to 'Rann Gets results III, IV or V'. It is not as interesting; it is not as sexy as 'Rann gets results 1'. It is not the blockbuster sell-out that it used to be. But, of course, that is an example of where a stunt has backfired, and we have exposed it for the con that it is.

Another example, of course, is that we are told about the education revolution coming out of Canberra, yet what the Rudd government did not tell us is that it has to be funded by the states. The commonwealth government will supply the computers, but if you want to plug them in that is your problem. 'We'll deliver them in their boxes at the door. You go and fund all the costs of setting it up and the recurrent costs. If you don't have enough power to the school, well, that's your problem. You have to fund it.' When I asked the Treasurer what was happening with those negotiations he said he was in dispute with Canberra over the issue. Yet, here we are, passing legislation for another \$3 billion-odd of funding, and we still do not know how these computers will be plugged in or how they will be funded or maintained.

The state government's own transport and energy site will tell you that it costs \$150 a year to power each computer. And, of course, once we get into the detail, we realise that it is for years 9 to 12—it is not every secondary student—and it now looks as though the program will be rolled out over a longer period. All the schools that bought computers under the Investing in Our Schools program will miss out. Those schools that spent their Investing in Our Schools money on maintenance and building programs, which the state government should have been funding, will get their computers if they are in a lower socio-economic area.

None of the schools in my electorate will benefit from this so called education revolution. There is no funding for this computer infrastructure, and Gillard has said, 'You state Labor governments supported us; you were out there spruiking for us at the last election, and the least you can do is help fund our election promises.' How can they do that? How can they do that when the education minister attempts to raid a fund that has been set up for disabled artists just because she is rewriting her music program so it can be used for disabled children?

The minister has put an application in to the Richard Llewellyn Disability and Arts Fund for \$60,000. The application limit is \$30,000. Where do you get advisers like that? Where do you get advisers who know so much about every little bit of government money that is out there? How callous are they to take it away from organisations such as Autism SA, the Alexandra Devitt-Lansom and Amputees in Touch organisation, the CanDo4Kids organisation and the Elizabeth Special School? These are all competing for those funds next to DECS.

One of the major criteria, of course, of the application is that the application must come from somebody with a disability—that it is within the definition of eligibility. So, I am not quite sure that the DECS application qualifies in this instance.

Time expired.

Mr PEDERICK (Hammond) (20:57): I rise today to make a contribution to the Supply Bill. This government has the distinction of being the highest taxing government in this state's history. If that translated into improved services and infrastructure for South Australians we could perhaps forgive this extraordinary level of taxation. Unfortunately, this government may well also become known as the most wasteful in the state's history. Its poor management of the extra revenue flooding the state's coffers represents a missed opportunity characterised by massive cost blow-outs on major projects and the neglect of much of the state's vital infrastructure. Water, water, water—oh, and railways—just being some examples.

One would have expected that with such massive income the state would be flush with surplus funds, yet a comparison of general government revenue and expenses figures over the past five years shows a disturbing fact. The total revenue in 2002-03 was \$9.3 billion, while the total expenses were \$8.9 billion. The difference is \$400 million, which as a percentage of income is around 4 per cent. In 2007-08, the total revenue is stated as \$12.4 billion, while the expenses are \$12.3 billion. The difference being \$100 million. That, as a percentage of income, is around 1 per cent. The same calculation on the years between indicates a general downward trend, with the estimates for 2010-11 showing a figure of close to 2 per cent.

It is worth bearing in mind at this point that for the first two years of this government the surplus was greatly enhanced by the carryover of \$270 million in South Australian Finance Authority dividends. In case honourable members have forgotten, this was described at the time by former New South Wales auditor-general as an 'accounting fiddle'. Couple this with the implementation of new taxes: the River Murray levy draws in \$22 million; gaming machines tax has increased by 31 per cent over the past six years from \$312 million to \$400 million; property taxes and stamp duties have almost doubled over the last six years from \$731 million to \$1.43 billion; motor vehicle taxes have gone up 26 per cent from \$324 million to \$406 million; insurance taxes are up 33 per cent from \$223 million to \$296 million; and there has been a boom in payroll tax of 45 per cent from \$601 million to \$871 million. This government has given itself a massive annual pay increase—almost \$4 billion more than the last Liberal government—yet, and as I just mentioned, the surplus this year is expected to be less than at any time since 2002.

In keeping with the perception of the formalised trickery described earlier, this government continues to hide serious unbudgeted increases in expenses behind huge underestimates of its annual revenue collection. Contrary to its 2002 election promise, the South Australian government's general taxes will have climbed more than 50 per cent—so much for the promise not to increase taxes.

A good proportion of this has come from high property tax collection which, as I have said, has almost doubled since 2001-02. With the exception of Victoria, South Australia has the highest stamp duty payable on property acquisition in the country. While the government seeks ways to increase the state's population and maximise economic opportunities presented by the mining boom, the affordability of housing—particularly for first homebuyers—is deteriorating. With average house prices around South Australia at \$320,000, stamp duty concessions for first home buyers cut out at \$250,000. It ought to concern every South Australian, especially parents, that the percentage of those buying their first home has fallen by 35 per cent in the past six years from 20 per cent to just 13 per cent.

Payroll tax has become another little goldmine for this wasteful government. With the lowest threshold in the country of \$504,000, payroll tax will reap 45 per cent more than it did in 2001-02. Is it any wonder that the state's employment growth, measured against the national jobs market, has fallen significantly?

The subject of the state's unfunded WorkCover liability has been debated at length in this house recently. From a figure of \$276 million in 1994-95 grading steadily down to \$56 million, it has climbed steeply to sit at \$844 million last year, with forward projections even higher. The chart of those liabilities for the period 1994-95 to 2006-07 looks like the Mount Lofty Ranges next to the Himalayas—and, as everyone knows, very few have climbed Mount Everest and many have died trying. The Treasurer and his Minister for Industrial Relations would find Montefiore Hill a challenge.

The wastefulness of this government is well evidenced by two things. One is the blow-out in spending on major projects such as road extensions, bridges, tramlines, underpasses and hospital redevelopments. The list goes on. It is mirrored by the huge increase in the number of public servant full-time equivalents since 2002-03, not to mention the 84 extra ministerial staff the government has bestowed upon itself in the 2007-08 budget.

The second example of wastefulness is in the SA Water figures. In the past five years over \$1.7 billion has been skimmed from SA Water customers. That might have seemed reasonable had the money being reinvested into vital water infrastructure—and how timely that would have been. As well as management and storage issues, the condition of much of the state's water delivery infrastructure has been largely ignored until now, and now we are in serious trouble with nowhere to go but beg our eastern state neighbours for enough water to survive. In 2006-07 less than 4 per cent of profits generated by SA Water found its way back for water storage and delivery infrastructure projects. That is just \$11 million out of a total profit figure of \$314 million; we can only wonder where the rest of that money went. Now that the state's water alarm clock has finally

shaken itself off the government's desk and crashed to the floor, the public will be asked to find more money to fix what it has, arguably, already paid for.

It is almost impossible to talk money, budgets, surpluses, deficits and money management in South Australia without mentioning the State Bank debacle of 1992-93. As much as members opposite might moan that we always bring it up, it is perhaps fitting that we do because we recently commemorated another ANZAC Day, with its familiar and important catch cry of 'Lest we forget'. We will make sure that the public does not forget the State Bank debacle and the \$11 billion debt bestowed on this state. The former Liberal government showed great fiscal skill in dealing with this mess left by the former Labor government, some members of which are, sadly, still with us today.

If the former Liberal government had been able to apply those same skills to focus on building the economy, rather than repairing it, one wonders where we would be today. I confidently suggest that the levels of taxation could be well below current levels and the state would be better placed to maximise the opportunities that currently exist, as well as deal with the extraordinary problems we currently face.

I would now like to discuss issues that affect not only the seat of Hammond locally but the state as a whole, especially regarding the lack of water infrastructure spending. On 6 November 2006, Premier Rann announced, 'We are going to build a \$20 million weir at Wellington.' There was no thought of whether it would supply water to all the Lower Lakes communities, the tens of thousands of people, the billions of dollars worth of industry below Wellington, until the government said, 'Hang on, we'd better do some testing and see how sound the base is; see what the soil is like under the river.'

It could have looked at the reports from the 1930s and the 1960s which would have told it exactly what it would have found between Pomanda Island and the McFarlane property at Wellington. It would have found silt, silt and more silt. I have heard that, even recently, some test drilling has been done to 170 metres and it is just silt. This was found out years ago. Down the track I will be endeavouring to find out exactly how much money has been spent on soil tests, etc. It has tested 14 sites and it still has not come to the realisation that not only is it a terrible idea to build a structure in the river but it is not feasible where it wants to do it because it will be a sinking structure. The minister has finally admitted that.

It will cost at least \$200 million by the time they allegedly reckon they will pull it out. My argument is that they will tip 700,000 tonnes of stone into that river, if it comes to that, and most of it will sink, never to be seen again. That will probably be the excuse not to bother with it.

We have seen what has been done to local communities, not only blocking off wetlands but backwaters where people access water. What has been done to Lake Albert? It has had to cut Lake Albert off from Lake Alexandrina. It has nowhere to go if it uses the excuse of acid sulphate soils in Lake Alexandrina. There is not another lake to protect that waterway. It is water from down that once mighty river—the Murray.

It is an absolute disgrace that we have a billion dollar industry at Langhorne Creek that is going to be on its knees because the government will not fund a pipeline to keep that industry going. It has just decided, in its so-called wisdom, that it will cut these people off, cut major industry off, major employers and several large towns. In Meningie, the shop owners and businesses in the town are down to 50 per cent turnover. It is just outrageous.

The people at Langhorne Creek are at the stage of deciding whether they will go ahead with funding for their own \$60 million pipeline. I know it is on a knife-edge and that decision has to be made very shortly. They know that they cannot get it constructed before next vintage. The other problem is that, even if they do build it, they do not know what allocation they can get down that pipe.

I also want to talk about the lack of interest in the Narrung and Poltalloch peninsulas. It will not be until the media start to give things a run that we might see Mike Rann, minister Maywald and occasionally minister McEwen have a set-up and stage-managed meeting with a few growers because they do not want to be out with a large group of people as they might get some tough questions.

The community at Narrung deserve a new pipeline from Taillem Bend, and it should be funded for \$40 million and of an appropriate size, starting with a 400-millimetre pipe. Instead, what I believe they will do is suck off already extended pipelines from Meningie and Cooke Plains and put in a pipe with a diameter that is too small so that there is no room for expansion in the future.

The dairy industry has gone down there: people have sold their herds or cut off the heads of their cows. What does the government think? It does not seem to care, although it has quite happily taken hundreds of millions of dollars of tax from these areas. It has been quite happy to take this tax revenue and let people go without water.

The government should watch *Landline* this weekend, when it will see old men in the mud trying to access water. That is what this great state has come to for people to get drinking water into their homes. They went to the federal election with Kevin Rudd talking about equity and access for all Australians, but all we get out of the federal water minister is more talk about what they will do with water.

I want to talk about public sector employment. The government budgeted for 2,000 extra public servants, but all of a sudden it has 12,000. What a shock and what a horror! Do we know where they are? It is not been outlined to us, although 10,000 extra public servants over four years will cost \$24 million or \$25 million. It is just out of control.

Getting back to the water debate on the larger state scale, the Labor government did not decide to build a desalination plant until Mike Rann got over his phobia of worrying about whether it might rain. I still believe he has that phobia because the government now has the outrageous idea that it will build a desal plant it reckons it can switch off. It is just a crazy idea.

They want to increase the state's population to two million people. I have no problem with population growth, but you have to give them something to drink and they have to be able to wash. What will happen because of lack of action will be an absolute disgrace. You might think that it is out of sight, and out of mind below Wellington, but it will come home to roost when B-doubles are carting bottled water just so that people can drink. That is what will happen if we do not have a good winter. It is exactly what will happen, and I bet that it is in your disaster plan somewhere. It is absolutely outrageous.

First, we were told that the government wanted to expand Mount Bold but, all of a sudden, it got cold feet and said, 'Oh, no. We will check 139 different sites in the Mount Lofty Ranges.'

Mr Venning: They can't make a decision.

Mr PEDERICK: They can't make a decision to build another dam. I would not have so much trouble with their building another reservoir, except that they will still suck on the Murray to fill up the darn thing. I was going to say 'dam thing', but that would probably be swearing.

Mr Venning: It's a pun.

Mr PEDERICK: Yes; it is. Instead of wasting a billion dollars on a reservoir, do something with stormwater catchment.

I want to speak about another infrastructure issue in my electorate, that is, the new high security prison complex at Mabilong. Okay, we have been lumbered with it, but the government better make darn sure that it does the upgrades and puts in the transport infrastructure so that we can get people to Murray Bridge and back to Adelaide, or wherever they have come from, with decent bus services for visitors.

We also need roads, like Bremer Road in Murray Bridge, fully upgraded with a proper intersection, and other infrastructure items will need to be done to ensure that too much strain is not placed upon the Rural City of Murray Bridge. That is where I am afraid it will land, because they will pass the buck when they want to scrimp on a bit of money when they build this prison.

Roads and ferries are major issues in my electorate. There are eight ferries that cross the River Murray, and only a couple, I believe, are still carrying full weight. It is totally outrageous that the government finds it too expensive to fix the upstream ferry at Mannum for \$500,000. I hope there are not headlines one day telling us that emergency services were held up because they could not get from one side of the river to the other, and someone dies. I hope that does not happen, because I will probably know the person.

This government is outrageously tight with money when it should be awash with GST funds. The roads in the outer regions are just a disgrace. A 10-kilometre stretch of the Pinnaroo to Loxton Road should be rebuilt. I have no problem with the fact that the Berri Hospital will be the main regional centre for health, but you have to get the people there. If the government is not going to fix the roads, it had better get more health helicopters and make sure that there is plenty of Flying Doctor access, otherwise people will have to travel too far and lives will be at risk.

Just in closing, I am concerned about health services in the region. There are rumours that several hospitals might be turned into aged care facilities. I have no problem with aged care, but you still need acute care. We are used to travelling hundreds of kilometres to get services in the country, but we are also used to our acute care facilities. I marched on this place over 20 years ago with a group to save the Tailem Bend Hospital and, if I have to be involved again, I will be. We must make sure that we have health services for outlying regions and not just some wang dang fandangled hospital in Adelaide.

Mrs PENFOLD (Flinders) (21:17): I rise to support the appropriation from the Consolidated Account for the financial year ended 30 June 2009 of \$2,300 million to provide for the first three months' expenditure of the 2008-09 financial year until the budget receives assent, despite disagreeing with what much of the expenditure will be used for by this government.

While this government is spending millions of dollars expensively retrofitting solar panels and wind turbines to government buildings and schools to provide power that they already have, in the electorate of Flinders (which covers an area of 55,000 square kilometres, the size of Tasmania) communities with similar expenditure to supply power would be able to create long-term wealth and jobs where they do not now exist. Schools, hospitals and businesses can be retained, ensuring the survival of small communities that are under threat.

The multiplier effect, in economic development and jobs, of government infrastructure expenditure put in the right place is at least six times but, on Labor's gimmicks, it is none. In fact, these are depreciating assets that continue to cost the taxpayer in depreciation and replacement cost. However, I do not think that this government has any understanding at all of the multiplier concept, or if it does, the government does not care that it is wasting millions of dollars of taxpayers' money.

Water is of the greatest importance to the constituents of South Australia at the present time because of the droughts across the nation and the threats posed by global warming. Yet, this government is continuing to allow its monopoly provider, SA Water, to procrastinate. Money is being spent on mini hydro-turbines on reservoir pipelines to produce a minuscule amount of power. There is \$46 million being spent to fit out SA Water's new headquarters, which they do not even own. Numerous more executives are being employed at salaries of over \$100,000 per year. Thousands more taxpayers' dollars are being spent trying to stop people using the product—water—that it has a monopoly to supply to the people of South Australia.

In my own electorate the privately-funded solar-powered mechanical vapour compression desalination plant proposed for Ceduna more than two years ago has been lost, and people are still having to replace thousands of kilometres of pipelines, water softeners, water heaters and electric jugs because of the foul water being provided by the government through SA Water. Instead of desalinated water being provided where it is badly needed by private enterprise for about a dollar per kilolitre, a pipeline was built by SA Water to bring 1.4 gigalitres of water from the ailing River Murray at a total cost of \$48.6 million.

The new technology that was to be used for the desalination plant in Ceduna has been taken to Queensland for two commercial projects in that state, and the owner has advised me that he does not expect to be back. Meanwhile, mining is happening in my electorate. If we are to do any value adding we will need large quantities of good water. One of these is at Ceduna where Iluka is developing a very large high quality mineral sands deposit, which we should be processing before it leaves our shores.

There is a large, world-class, high quality deposit of kaolin near Streaky Bay which is suitable for use in paper making and which will be developed in the next few years but, again, it needs to be processed before it is sent overseas. Processing requires copious amounts of high quality water. Instead more community water consultation is taking place.

It is that waste of money by this government and SA Water about which I want to talk because, while payroll, property, gambling, insurance, motor vehicle and other taxes are increasing and causing grief to many people, nothing will hold us back as a state as much as the need for expenditure on infrastructure, particularly for water. It is one of the biggest expenditure items of the new federal government with a huge \$12.9 billion being announced by minister Penny Wong yesterday to be spent over the next decade. It frightens me that this Labor government and SA Water will have a major influence on how our share of that money and our taxes will be spent to provide South Australia with the infrastructure it needs to enable us to thrive into the future, particularly in regional areas.

A strategic objective of SA Water is to 'plan, develop, operate and maintain our infrastructure to consistently meet the needs of our customers and owner'. Unfortunately, the emphasis has been on the needs of the owner at the expense of the customers. Given the government's control of SA Water this is not surprising. However, it ignores the fact that \$7 billion in assets held by SA Water belong to the community—and the community should come first.

If the government as the ultimate controller of SA Water decided to reduce the dividends paid into general revenue and that water would be provided at the lowest cost as needed, based on reasonable expectations of increased demand, the cost of these consultations could be avoided. The community is currently being questioned about what it wants with virtually no information on the cost of the alternatives. The cost to the community exists, whether incurred by individuals, SA Water, the government directly or the government and councils as subsidies. The cost of emotional and political decisions, not based on either logic or need, are enormous.

The present requirement for new houses to have water tanks is one of the most irrational decisions, as the amount of water saved of the average 270 kilolitres normally consumed by households is miniscule. In my view, the cost to produce water of high quality and quantity where it is needed should be the only issue. The costs would include placing a value on externalities, for example, environmental costs and possible benefits, such as removing an existing environmental problem. If one asks the public to make decisions on what it wants with virtually no information on the cost it is equivalent to asking a jury for its decision without a court case examining all the issues. One gets an emotional, not a rational, response.

Juries are well supported because they are seen to make good decisions, but this is dependent on the quality of information provided and tested. This information is not being provided. Why are the most important decisions not on the table for discussion and community view? For instance, why are we not debating the justification for permanent rationing of water? It cannot be denied that 'permanent conservation measures' are a form of rationing. Why is water targeted and nothing else? Is there something unique about water that attracts this special attention?

I think we should look first at the nature of water. It is inexhaustible. It covers 70 per cent of the earth's surface. Unlike most commodities it is totally recyclable when used. It is probably the cheapest commodity we consume. Desalinating water costs about \$1 to \$1.20 per tonne. What else costs so little to produce? If desalinated using renewable energy—wind or solar—it would probably have the lowest ecological footprint of any substance used by humans. It is the cheapest commodity to distribute right into the houses of the consumer, using existing pipeline infrastructure, with no mess—completely safe and ready to use: 10 out of 10 for convenience. What other high quality product can be continuously distributed to virtually every household and business in the state for under \$2 a tonne?

It is a necessity for life, similar to food but vastly cheaper to provide. It provides many other benefits: hygiene with dishwashing, showers and toilets, the pleasure of long, hot showers and the mental health benefits of beautiful plants and gardens. It can be used to grow and keep alive in droughts crops, vines and fruit trees, providing food, trees and beautiful gardens which reduce CO₂ accumulation. Through its use employment is provided for thousands of people in the state in both regional and city areas and in some of the most pleasant fields such as viticulture and landscaping.

With all these benefits, why is the cheapest, most convenient, most ecological commodity, which is critical for hygiene and horticulture and which provides a lot of pleasure with our culture of gardens, targeted for permanent restrictions? If the aim is to reduce the average footprint, why is water chosen? Why not put restrictions on the type and amount of food produced? In the United States of America food production consumes about 17 per cent of all energy and we assume it is the same in Australia. We could have SA Food—a monopoly that would ration food, help government finances, reduce the cost of obesity and reduce the cost of medical facilities in the future. Food is available in unlimited quantities; why not the other essential—potable water?

We could require all private city vehicles to be purely electric in 20 years and increase wind power to provide extra energy and eliminate four-wheel drives and large private motor vehicles that not only pollute but also consume a non-renewable resource. We could eliminate where possible the use of bricks, concrete and steel. Cement for concrete produces 5 per cent of greenhouse gases worldwide—about twice that of air travel. Why not require all houses to be built of plantation timber, with no CO₂ and sequestration combined? All of the above would be vastly more effective at reducing the individual footprints but lack one attribute: they are not controlled by a government monopoly.

The obvious conclusion on why we have consultations and do not get information on costs is that it is the best way to achieve what the government wants, namely, to avoid rational decisions if they do not suit their plans. I am concerned that it is more of a process of exhausting people with inappropriate ideas than one of gaining local knowledge and ideas with consequent benefits. Instances of the government making irrational decisions include imposing the requirement for water tanks on new houses when it is of so little value, it is so costly and it adversely impacts on home buyers who can least afford it.

Waterproofing Adelaide estimates the cost at \$5.40 per kilolitre. Why is the government subsidising tanks in existing houses? Is it to get the emotional kudos without having to reduce transfers of profits to the government or increase water rates to finance new infrastructure? Why put the \$48.6 million pipeline from Iron Knob to Kimba, supplying either the Murray or desalinated water, while preventing a much cheaper alternative at Ceduna? That pipeline has annual costs of \$2.9 million, in interest at only 6 per cent, \$700,000 annually straight line depreciation, operating costs of, say, \$300,000 and a water cost if desalinated of, say, \$1.7 million (that is at \$1.2 per kilolitre) at a total cost of \$5.6 million annually for 1.4 gegalitres of water, or about \$4 per kilolitre.

How can this be justified when Ceduna was offered desalinated water? Unlike the pipeline, this was almost completely greenhouse and pollution free, as it would have used solar energy and the saline water was to go into the existing Cheetham salt pans. Compare this with the Whyalla desalination plant planned for BHP using mainly coal or gas for energy, pumping the saline water into the reverse estuary in Upper Spencer Gulf, plus the substantial extra pumping costs using the same energy source.

The only logical reason is that SA Water is owned and managed as a government monopoly and the government and SA Water are determined to maintain that monopoly, no matter what it costs the community. This monopoly currently pays 96.5 per cent of its profits into state revenue. It pays twice as much to the government as it has expended on capital items over the past five years. What is the opportunity cost of the pipeline decision? What would over \$50 million have done elsewhere, if expended usefully? What is the cost of this stupidity of incurring a greater cost for the supply of a basic commodity such as water, when it could have been supplied much more cheaply as and where it is needed by private enterprise?

Further, the compound effect of this annual loss of about \$4 million, when compounded over the life of the pipeline of about 70 years with interest on the cumulative losses (\$1.16 per kl—the highest rate versus \$4 cost), plus losses of water that are not chargeable over that time, adds up to billions of dollars that have to be paid by future generations, and this is only one project.

Water tanks are probably more costly although disguised and diffused in subsidies, new building costs and over many households. It is a hard-headed and deliberate program of maintaining the monopoly of SA Water—and monopolies, by their nature, will do everything possible to prevent competition. This imperative of SA Water is reinforced by the government, which is determined to maintain the income it generates and not have it white-anted by competition. Forcing change on monopolies can be done only by introducing competition or by legislation. For this reason, they are not allowed to exist in private enterprise and there are massive penalties to prevent it. A monopoly owned by a government has even more monopolistic power in practice and is much better able to prevent competition.

The question for all communities is how to break this monopoly. SA Water could own and operate the pipelines, another government entity could own state water resources and private enterprise could be allowed to bid against that entity for the supply of water. It is complex, but the critical need is to avoid politically motivated decisions. The cost of not having water or providing it in the wrong way is too great. We are not a third world country. We may be the driest state in the driest continent, but should that make us the most miserable with such a basic commodity as water? People have just as much right to have the pleasure derived from a large garden, using a normal shower head and having a good shower and even having fountains, spas and pools.

It is the community's right to have adequate water supplied at the cheapest cost. This can be done. The method depends on the circumstances. Modern technology enables unlimited supplies of water to be provided by desalination at a cost that is expected to be as low as \$1, possibly less (1,000 litres or a tonne). Using wind power means insignificant greenhouse gas being produced. Saline water can either be put back into high energy sea areas, or mixed with low salinity sewage discharges to bring them up to sea water salinity levels, or made into salt.

There are apparently well over 7,000 such desalination plants around the world. Stormwater collection and similar methods may be economical in special circumstances, but rarely.

They normally require costly collection facilities, large storage and a duplicated supply system, which can be very expensive. Additional costs may be offset by environmental benefits and justify this alternative. Pricing can be on the basis of normal consumption of existing cheaper supplies being at current prices (which only covers basic distribution and administrative costs). Any consumption above that would be at the desalination cost plus other costs; perhaps up to \$2 per kilolitre in total. That is cheap. What other high quality commodity can be delivered to your door for \$2 a tonne every day of the year?

At present, we pay an average cost of over \$1.50 per kilolitre for the first 250 kilolitres when fixed supply charges and River Murray levies are included. Why deprive those who want additional water for an extra 50¢ a kilolitre? If someone wants an extra 50 tonnes it will cost, say, \$2 per week. Our market system for all other commodities matches supply with demand through prices. This cannot happen with water in South Australia due to the monopoly of SA Water's limiting outside access to its pipeline systems. I support the Supply Bill, with reluctance.

Mr VENNING (Schubert) (21:35): From the outset, I indicate that I support the bill. A supply bill will be necessary for the first few months of the 2008-09 financial year to fund government departments and agencies and to ensure that all associated costs are catered for until this year's budget is passed through parliament.

Before I launch into the body of my speech, I want to say that tonight I have a unique opportunity. I want to send my best wishes to the Hon. Frank Blevins, who I understand has been through a pretty torrid time and has been hospitalised. Who would have thought that, as a result of falling off a ladder, he would have gone through this? Even though Frank comes from the opposite end of the political spectrum to me, when I first came to this place he was deputy premier, and I greatly respect the man. He was a man who had not received a great education, but he was certainly one of the best performers that I have seen in this place, because he could get on his feet when the place was in turmoil and get into the mix of it. By the time Frank sat down, the place was totally subdued. He was a master of the voice, and I respect the guy.

I want to say a few things tonight that have never been said before. People ask me: 'Why did you take on politics?' When your father is a politician (and the son of Jack Wright, who is in the chamber, would understand this), it is not automatic that you become an MP. I was first asked by the Hon. Frank Blevins to join this system as an adviser. Would you believe that? He set up a committee called the South Australian Rural Advisory Committee (SARAC) back in the early 1980s. He asked me to sit on the committee, and I did. I did not think that it was disloyal, and he received some very good advice. I had my fingers on some of the measures that the Labor government of the time (the Bannon Labor government) introduced, and I respected that. That is how I became interested in the process, and Frank understood that. I was from the other side of politics, and he knew my father. As the member for Lee would understand, that is how I got started. I wish Frank Blevins all the best.

Tonight I was privileged (as is the case with all members) to have dinner here with some very good friends. One was Mr Grant Andrews (who was the secretary-general of United Farmers and Stock Owners for almost 30 years here in South Australia), along with his brother Neville and their wives Judith and Audrey. Grant said that, of all the ministers—particularly the Labor ministers—Frank was the best, because you knew exactly where you were with him, and he was great. Some of the things that he did for rural people should never be underestimated. So, Labor governments can deliver for rural people. Frank did, and we respect that: we have not forgotten it. We wish Frank all the best at this time, because what he has been through has been pretty horrific. If he happens to read this speech, we wish him all the best, and we thank him.

I want to make some comments in relation to the Supply Bill and discuss the opportunities that South Australia has missed out on due to the Rann government's inability to manage the large amount of state and other tax-generated revenue that the government has had available to it since the election. You have heard this ad nauseam, Mr Speaker, and I apologise for that. In the six years since the Labor government came to office its revenue has increased from \$8 billion to more than \$12 billion per year, in addition to many other extras, such as poker machine revenues and speeding fines (to which I have contributed, before anyone has any false impressions).

State taxes and levies are up by 48 per cent over this period, while property taxes have increased by a staggering 75 per cent. According to the analysis of the state budget papers, *The Advertiser* revealed in January last year that since coming to power six years ago Premier Rann and his government have collected approximately \$30 billion in state taxes which, combined with GST payments and grants from the commonwealth government, makes this the wealthiest government South Australia has ever had—at least in terms of money it has at its disposal.

But what have we to show for it? We have no desalination plant, no extra health services, and no electrified rail network—although we do have a tram line which is causing traffic chaos in the CBD. Just go out of the front door and check! When members came to work this morning, what was it like coming up North Terrace? It is a disgrace. It should have been a looping tram line. The government does not seem to be able to get it right, whatever it does. Where has all the money gone? Do we have better health care, better public transport, better roads or water security infrastructure? No, we most certainly do not have.

In this financial year the state government is expected to take a record \$3.4 billion in state taxes, which equates to \$2,156 for every person in South Australia. However, I am certain that this increase in revenue has not been matched by the state government in recurrent spending obligations. South Australia has just recorded the highest inflation rate of all our capital cities in Australia. That is a fact. Our CPI rose 1.5 per cent over the last quarter, compared with an average increase across the rest of the nation of 1.3 per cent. So we have topped the poll on the wrong issue. We have the worst cost of living figures in the whole nation. The cost of petrol and groceries is similar nationwide, so why do we score so badly? The answer is: because we have such high taxes and so many levies that the financial impact on South Australians is measurable.

Mr Piccolo: I've come in for you.

Mr VENNING: Thank you. The member for Light has arrived, sir, to hear my speech so I will jazz it up a bit. Is the spending by Premier Rann (and the member for Light and his government) of such tax-generated revenue measurable? Is the state government delivering value for money to the taxpayers of South Australia?

Mr Piccolo: Yes.

Mr VENNING: The member for Light says yes. I think he should go out the front door and check. Mr Speaker, I do not believe so. In fact, the answer is an emphatic no. We must fast-track the desalination plant. Heavens above, we are now into the seventh year of the worst drought we have ever had, and what do we have by way of a desalination plant? Western Australia will have its second plant operating before we even get the first brick laid, so what the heck has been going on here?

The dithering about to make the decision to construct it took 18 months, and now the quickest time in which it can be completed is four years. If it does not rain in four years, members had better buy shares in a bottled water company. It is absolutely ridiculous: we need water now. I hope that money is spent in the upcoming budget on fast-tracking this major project more than six months earlier than was recently announced. Why are we mucking about with a trial plant? Heavens above! Just go and copy what the Western Australians have done!

All we have got for our water dollars is a very swanky SA Water head office in Victoria Square. What an insult! How insensitive is that? The people of South Australia have generated \$1.6 billion in revenue for SA Water through their water bills and I think they deserve to see some fast action for that sort of money. The revenue that the state government has had at its disposal since being elected in 2002 would fund nearly 30 desalination plants, yet we do not have even one. Western Australia will have two before we even start.

It seems that little of the revenue generated by SA Water has been made available for water infrastructure spending; it has been available just for spending on their own backsides and for building their own swanky office, and that is the greatest disgrace. It should never have been allowed to happen. While the rest of the state dries up and becomes more parched, SA Water has built itself a palace on Victoria Square. And how much has been said about that in the media? How much of this has been raised in the house? It is very insensitive timing: that is all I can say. It is a disgrace! In its Waterproofing Adelaide 2005-2025 documents, the state government clearly stated:

The South Australian government will develop a state policy towards desalination that addresses planning issues, access to saline water, disposal of brine and management of other environmental aspects.

That was three years ago. Premier Rann's desalination working group has been at it for more than a year now—hard at it for a year—and we still do not have a confirmed location, an environmental assessment or a genuine time frame for completion. That must be remedied in order for South Australia's reliance on the River Murray as a major water supply to be reduced. One never discusses religion in this place, but I think that the government is hoping with all hope and prayers that it will rain, but it has not. We had some rain the other day.

Mr Piccolo interjecting:

Mr VENNING: I do, too, and there is no politics in that. I do, too. Everyone is advantaged by good rain, and the rain the other day, I have to say, was a blessing. I want it to rain that much again this week. I do not know what we have had tonight. I have been around for some years, as members know, and I have never seen a period quite like this—never.

Mr Piccolo interjecting:

Mr VENNING: I have been in here 18 years. I am 62 and I have been a farmer. I worry. I hope this is not a trend that will continue. I was a sceptic towards climate change, but I can tell members that I certainly am not now. I just worry about the future. Our farmers and irrigators are losing everything they have—in some cases losing orchards and farms that have been in their family for generations. They are struggling to live and put food to eat on the table each week. Can they survive until 2011-12? I hope so, but look at the huge cost today of farming—the cost of fuel, the cost of fertiliser, the cost of seed, and the list goes on. There are huge costs.

Unless you have a good crop you will not make any money at all, and a lot of farmers are realising this. When you look at the *Stock Journal*, you can see the farms on the market. I have never seen it like this before—not ever; and, as I said, I am 62 years of age. I had Grant Andrews (general secretary, United Farmers and Stock Owners) in tonight, and he said that he cannot recall a period like this. Without government assistance he does not know how farmers can continue. Look at the price of food across the world. Look at the price of rice—it has doubled in the last four weeks. You just wonder where we are going. You can talk about fuel costs and everything else but when food is expensive (and in many cases it will not be available), just check what will happen. It will be serious indeed.

We have not paid our farmers enough to produce food, and that is why they are not going to produce it. We have got farmers all over the country not producing rice and not producing cotton, because they do not have the water. We also have farmers in South Australia not producing wheat and not producing barley because it is just not worth them to do it. As I said in a contribution the other day, unless governments come to the party and subsidise some of these input costs they will not grow it because they will go broke doing it. So, what is the bottom line? We do not have food. In the end, without food where are you?

You will have banks saying, 'We will not finance your crop anymore.' I have been blessed; I have been very lucky. The fact that I am in here gives me an extra insight; it also gives me an extra income, which goes back to the farm. I just wonder how they can survive until 2011-12. I hope they can, but I know that many will not. This up and coming budget must include money to ensure that the desalination plant comes online as quickly as possible with no more delays. It must also include provision for those suffering enormously from the drought. They need more assistance, and such assistance should not be restricted only to those in the agricultural sector: it should be made available to many other business suffering from the drought.

There are those with boating and marina businesses who cannot carry on due to low river levels, and members heard me talk about the ferries today ad nauseam. Along with those experiencing hardship due to the downturn in business, boat refuelling companies, houseboat cleaners and the like are all affected. They should not be forgotten. Training, assistance with improvements to businesses and farms (where viable to keep them going), and subsidies for input costs, along with financial and emotional counselling, all need to be part of the package. A spokesperson for the Premier told *The Advertiser* in January this year:

While the previous Liberal government under invested in our infrastructure and in vital services such as health, law and order, education, this government has a huge infrastructure program under way.

With the state government currently being so flush with money, having more money than any other state government has ever had, along with recently undertaking huge a infrastructure program, one must ask why it cannot find \$500,000 to fix the concrete ramp of the upstream ferry at Mannum.

Members cannot understand what a shocking inconvenience it is when people cannot cross that river, and it is 70 kilometres to go around. It is beyond politics. It is not fair and it should not be allowed to continue. I received a response to a request I made in February to have the concrete ramps of the ferry extended from the then acting minister for transport, Paul Caica, and I quoted that letter today. Today I also raised that matter with the Hon. Patrick Conlon. I do believe he is listening. I hope there is something in the budget to help.

The people of Mannum are asking that they not be forgotten and that they be considered because they do pay their taxes and the River Murray levy. They are asking this on behalf of their families and their children, particularly if there is an emergency because the hospital is on one side

of the river and they are on the other. How would you like to have to travel 70 kilometres to get to your hospital? You would not do that. I cannot believe that.

The government can afford huge cost blow-outs on road infrastructure projects. Massive cost blow-outs and broken promises seem to have been the norm for the government. The cost of the Northern Expressway (which I think is essential) has ballooned from a \$300 million project to a \$1.5 billion project. The Port River bridges (which I supported but not to lift), what a mess that project has become: \$47 million over budget and still no completion date, and still not operating. I am giving the minister every credit here, I will not criticise him for this. I know there are problems with bearings and all sorts of things, and I appreciate the frankness with which he has dealt with me and I will respect that. In the end, it has to work and it has to be working very quickly.

The South Road underpass increased from \$65 million to a last estimated cost of \$188 million, and the expenditure on the Bakewell underpass blew out by \$30 million—and the list goes on. Of course, we have the tramline extension. I love trams but I only wish they had not done what they have done. As I said in the first place two or three years ago, why did they not take the trams down, say, Morphet Street, across North Terrace and up, say, Pulteney Street—one single line? Would that not have been a fantastic and better way than what we have now? What we have done to King William Street is absolutely appalling. We would have had the best of both worlds; we would have had trams.

I understand that the government will buy some new trams. I think it has learnt a lesson: they will be wider bodied, there will be many more seats in them and better air-conditioning. However, you will not be able to run these trams together. This current tram and the new tram will not be compatible, so you will not be able to run them on the same line because one will be wide bodied and one will be narrowed bodied. Okay, you made a mistake. Be strong enough to say, 'Okay, we will put the new trams on a different line.' It will be a problem, but I believe the new trams will be multiconnecting: you will be able to put them together like a train and it will be worthwhile.

I also reflect on the mess that the government has with WorkCover. Been there, done that; discussed all that last week. It is damn sad that we have reached this point. We just needed a government that was much more responsive to the problems at hand. I think we need to address that. The budget is only a few weeks away. I have been in this place for 18 years, and for the last seven or eight years I have been pushing one strong issue, that is, a new hospital for the Barossa Valley.

Most members and members sitting here tonight have been to the Barossa. I am very pleased that you have not been sick because, if you were taken to the Angaston Hospital, you might have had a cultural shock because this is a facility that is totally worn out and way below standard. Beautiful Barossa, magnificent Barossa, South Australia's showpiece, but if you had cause to visit that hospital you would think, 'What is this? Have I come to a second grade hospital?'

All I can say is that we are running into a budget. I have every respect for minister Hill—I have every respect for three or four ministers over there. All I want in this budget is a mention, be it one word, a phrase, or a paragraph saying, 'First, we recognise that the Barossa hospital is there; and, secondly, we recognise that something needs to be done.' This government has been in government for six years and not once has it even mentioned that the Barossa has a problem with its hospital. I know that the minister visited the other day and received a delegation that I represented, and I am pleased about that. He is diligent; I would never criticise him, and I have not done so. I trust the gentleman.

All I want from this budget is a line saying that there is some money that indicates we are going to do something for the Barossa Hospital somewhere down the line. I am pleased to see that the member for Light is still in the chamber, because he has heard this argument before, not just from me but from locals, and we have adjoining electorates. Even if it is \$500,000, or only \$100,000, for some study, or something to say, 'We the government appreciate the problem in the Barossa and we will do what is responsible and start thinking about an upgrade or replacement of this hospital,' I would be grateful, because the present situation is not just good enough. After about six years of my pushing this matter kindly and nicely, it is time to say, 'You are not dinkum.' The people in the Barossa pay their taxes, and they deserve a much better deal.

Time expired.

Bill read a second time.

The Hon. M.J. WRIGHT (Lee—Minister for Industrial Relations, Minister for Finance, Minister for Government Enterprises, Minister for Recreation, Sport and Racing) (21:57): I move:

That the house note grievances.

Debate adjourned on motion of Mr Venning.

STATUTES AMENDMENT (REAL PROPERTY) BILL

The Legislative Council agreed to the bill with the amendments indicated by the following schedule, to which amendments the Legislative Council desires the concurrence of the House of Assembly:

Clause 68, page 22, lines 6 to 27—Delete clause 68

At 21:58 the house adjourned until Thursday 1 May 2008 at 10:30.