



## REGIONAL INFRASTRUCTURE

29 October 2009

**Mrs PENFOLD (Flinders) (11:30):** I move:

*That this house condemns this Labor government for wasting millions of dollars of taxpayers' funds on gimmicks, icons and non-income earning liabilities, while totally neglecting the infrastructure needed in regional areas that would underpin the industries from which the state reaps a massive export income and also the much touted mining boom.*

After years of warning this government to be careful of blow-outs in expenditure, I note that this year the Auditor-General has given a final warning, stating in his report that years of continual growth in government revenues to fund increases in expenses were over.

In March 2002 the state Labor government took over a state that was financially viable and prospering. Labor's \$9 billion debt had been paid off by the Liberal government, brought in when the state was technically bankrupt and unable to pay the interest on its debt. GST income was rolling in at higher levels than had been expected. New trade options were producing additional export revenue and a mining boom was on the horizon. South Australia looked set for a happy and prosperous future.

That scenario did not last long under this Labor government. The Treasurer and the Premier—both of whom were part of the previous Labor government that supported Tim Marcus Clark and oversaw the collapse of the State Bank—are still here and in control of the state's finances. Debt levels are rising, despite the increased revenue received: \$6 billion more last financial year than the \$9.3 billion received in 2002-03 by the last Liberal government.

Funding for rural and regional projects, such as the sealing of all rural arterial roads—which had been underway under the Liberal government—was slashed and then quietly dropped from the budget and future planning. Rural roads of economic significance, which the Liberal government had planned to seal, were relegated to Labor's 'not under us' basket, as its population-based funding policy took hold in all portfolios. Population-based funding requires that money is spent where the people are—which happens to be where the most Labor votes are clustered in the metropolitan area. I argue that money should be spent where the most benefit for all the people of the state could be gained.

Investing in Nation Building infrastructure would provide a good return on investment from taxpayers' dollars and facilitate the exports that provide real wealth for this nation—money that is then churned in the city in the provision of services needed by these major export income earners. When the income base is sound more funding can be provided for all the things we want in order to ensure we have caring and supportive communities, with a good standard of living for all, both in the city and in country regions.

The Gawler Craton mineralisation that underlies Eyre Peninsula and the North has been described as one of the most underdeveloped prospective mining regions in the world. However, the region must have necessary rail, road, water and port infrastructure if the potential of its minerals is to be realised. Small mineral exploration companies do not have the funding, nor the expertise, to provide the necessary infrastructure to become mining companies. In most

countries this infrastructure is provided by the government, which will benefit from the considerable mining royalties and economic activity generated by mining developments.

Instead of building regional infrastructure that will benefit everyone in the long term, the mining industry has been told by the state Labor government to provide its own infrastructure, while a tramline has been built at great expense in order to duplicate a public bus service along King William Street and North Terrace, adding to traffic congestion; and now the tram is being extended to the Entertainment Centre (where there is a train line within a short walking distance), with further extensions mooted ostensibly to drive development at Port Adelaide. The debacle over the cost and suitability of the trams brought from overseas and not designed for our climate is another story altogether.

The Liberal government, under premier Tom Playford, recognised the need to decentralise, diversify and develop the regions. He recognised the role of government was to spend taxpayers' funds to provide infrastructure that it is not viable for a business to provide initially to ensure export development, jobs and more state income from taxes and charges. He provided essential funding for the port, steel and shipbuilding industries at Whyalla, and a power station at Port Augusta. Thank heavens we had visionary decision makers at the helm when this state was established.

True to its dogma of centralist control, the government shifted public servants from the country to Adelaide under the shared services policy, ostensibly to provide better, more cost-effective services but sucking an estimated \$165 million out of the regions. Only recently, the Treasurer was at complete odds with the PSA. On ABC Radio, Jan McMahon stated that shared services was:

*...very stressful and there is a lot of high workload issues...at least a quarter of the workforce, 25 per cent, are temporary people...they struggle to get people to replace ongoing people who leave.*

That is contrary to the Treasurer's assertions that:

*Shared services is working very, very well despite what Jan McMahon and the PSA say.*

I would suggest that perhaps Jan McMahon and the PSA are more in touch with how the people on the ground dealing with the stress and inefficiencies are really faring than the Treasurer with his defensive response.

Along with this is the government's metrocentric policy of bulk buying and contracting, cutting out local suppliers of fresh produce and locally provided products, services, repairs and maintenance, instead replacing these with stale goods and little or no maintenance and servicing, as the cost of bringing people to the country to provide these is prohibitive. Despite evidence that centralisation of providing goods and services is a costly exercise and has failed to be economically viable wherever it has been tried previously, this government ignored facts and went ahead with its agenda.

These activities are false economies of scale that rip the heart out of country communities where even the loss of one government job results in the loss of a family and children that keep an extra teacher and subject options in the local school. The domino effect that is devastating in small communities would go unnoticed in the city. Do members remember the Premier's pledge to South Australians prior to being elected? He said, 'We will cut government waste and redirect millions now spent on consultants to hospitals and schools—Labor's priorities.' Despite these grand words, consultants and consultancies are thriving and waste is rife across government, with the populist Premier and his ministers being very lavish with taxpayers' funds in promoting themselves in the media.

Liberal leader Isobel Redmond has publicly criticised the promotional waste and said a Liberal government would not spend public revenue on self-promotion. The opposition leader can be credited with causing the Premier and his colleagues to reduce their blatant personal promotion to some extent. There is no money to undertake the action to get essential water for South Australians, but there is abundant money to produce full colour, oversized pamphlets printed on quality and expensive paper about what the government is going to do. The Water for Good promotion that came out in booklets, extensive advertising and pamphlets reportedly is to be a regular feature to preach to the converted at great cost that could and should be used to actually do something constructive. Instead, they are burdening the volunteers in a region as big as Eyre Peninsula with more work and some of the highest per capita NRM levies in the state.

The Department for Environment and Heritage *Special Edition Landscapes* 36-page full colour booklet outlines past achievements and what the government intends to do, but without costing or information about where the money is coming from to pay for the proposed projects. I quote one such project:

*The aim is to identify conservation priorities for a 12,000 square kilometre area within the East meets West Naturelink.*

Meanwhile, the state government has abandoned many of its responsibilities to NRM boards and has reduced the number of rangers to 100 to manage more than 300 parks in the state. I understand that the department has been asked to reduce its budget by \$12 million in the next couple of years. So, just who is managing the pest plants and animals and ensuring that adequate fire prevention measures are in place?

In September, the minister announced that the government had purchased an additional 1,400 hectares near Streaky Bay to be added to existing parks in the area and that a new western districts office would be opened in Streaky Bay and a district ranger appointed. Smoke and mirrors! The staff position has been stolen from the Gawler Ranges National Park and I understand that the office is the former PIRSA office which recently closed but which has now been completely refitted for the relocated park ranger.

In a *West Coast Sentinel* article regarding this purchase, minister Weatherill was quoted as saying, 'In addition to this freehold purchase, the government is working on a previously foreshadowed plan to add unallotted crown land to the coastal parks and reserves'—more land tied up without adequate resources to manage it; just an expectation that farmers and local volunteers will keep doing the work.

The glossy expensive brochures are still being churned out; eight pages of full colour with the minister's photo and a spiel on the front. The Department for Environment and Heritage's spring issue *Landscapes* propaganda newsletter recently arrived; although how a photograph of a heavily tattooed, overweight supposed prisoner is promoting our cultural heritage is beyond me.

The hypocrisy does not end there. The remarkable Magill Training Centre turnaround and the ability to find funding when public opinion forces this government's hand is astonishing. The previous decision to remove the Magill Training Centre from the list of projects because funding it would threaten the state's AAA rating while allocating \$43 million funding for a film hub on the Glenside Hospital site is the kind of hypocrisy that we are constantly seeing with this government. I have been told that there are (or, at least, were) private investors interested in providing the film hub at Port Adelaide using the old warehouses, which could have saved millions of dollars. However, that was not facilitated.

The gimmicks, smoke and mirrors and excessive waste is magnified when we look at the government's narrow vision and self-promotion in building a new icon hospital on the old railway yards instead of rebuilding—not renovating—the Royal Adelaide Hospital on the existing site. Hospitals have been successfully rebuilt onsite throughout the world, so why should Adelaide be any less able to undertake a project of this magnitude? The deceptive promotion of disruption and inefficiency as a reason for shifting our iconic hospital beggars belief. By rejecting the government's proposed new hospital, South Australians could immediately save \$500 million, have a world-class facility on the optimum site and keep the rail yard site available for extending the entertainment centre of the city down to the old gaol along the river, as it should be.

Buildings do not in themselves make a service, it is the people and the attitude that make the difference, and \$500 million saved on bricks and mortar can provide a lot of health services to people throughout the state. We do not deserve a fly-in, fly-out health service, as stated by the Minister for Health on the ABC on 17 September. He said, 'We can provide those services on a fly-in, fly-out basis, which we're doing more and more of.' Regional people are driving to Adelaide more and more, as happened recently, when a young man broke his leg and could not have it set in Port Lincoln, Whyalla or Port Augusta. South Australians must not be hoodwinked and brainwashed by promotions into a wasteful Labor government icon for which our children and grandchildren will have to pay for generations to come.

Some 10 years ago, the Liberal government established the Regional Development Infrastructure Fund (RDIF), recognising and valuing the importance of regional infrastructure in driving economic growth, creating employment opportunities and acknowledging that regional communities are fundamental to the success of our state's economy. The RDIF has been instrumental in providing investment in essential power, water, electricity and telecommunications

infrastructure, especially in growth industries such as horticulture, agriculture, aquaculture and tourism. Even former Labor premier John Bannon put funding into the Port Lincoln marina to provide a safe harbour for what is now the biggest fishing fleet in Australia.

Under the present state government, the current level of funding is \$1.5 million lower than it was in 1999, despite the Rann government's presiding over seven of the best economic years that South Australia has ever had.

Again I use the analogy of the farmer who reroofs the farmhouse, paves the driveway, fences the house paddock, provides a ride-on mower for the grass, but puts nothing back into the farm where the income is being generated. It all looks good and prosperous on the outside, but with no income suddenly the farm goes broke and people are left wondering why. Adelaide might look fantastic with the new hospital, new trams and gimmicks like retrofitted solar panels and mini wind turbines, but it behoves the government to look after its income-earning assets and provide more in the state's regions where much of the real income is generated, even if the biggest population does not live there.

But back to smoke and mirrors. The populist state government has jumped on the bandwagon of world disaster through environmental changes in the future, with possible erosion in 200 years' time preventing developments. Coastal property owners have had land confiscated via restrictive planning controls for so-called coastal protection—in one instance up to eight kilometres inland from the sea. The area of land taken in the freeholding process and taken out of agricultural production in another example was up to two-thirds of the property. In addition, the family had to bear the cost of surveying and fencing, all without any compensation. The family, I have been told, have sold up and left the district.

Can you imagine the public outcry if this happened along metropolitan Adelaide's stretch of populated coastline? Would the government continue to defy understandably outraged public opinion? But, of course, this will not happen, because apparently the projected rise in sea level will only occur along the South Australian coastline that does not form part of the Adelaide metropolitan area.

South Australians are frustrated with the wrong priorities of this government and the wastage that continues to occur throughout this state. We all look to being supplied with green energy as the responsible way to go, but spending hundreds of thousands of dollars retrofitting miniature, depreciating wind turbines and solar panels on the top of buildings is ridiculous, expensive and shortsighted. These buildings already have affordable and reliable power.

Time expired.

Remainder of speech is as follows:

...but with foresight and planning the money could have been directed towards building infrastructure, power lines to bring green power from wind turbines along the west coast of Eyre Peninsula or at the very least providing energy where it is really needed in the Australian outback. The same can be said for solar panels on show buildings, the airport and the list goes on. Short sighted, limited effectiveness and expensive waste on equipment that will need ongoing maintenance and provide no return on investment. But when this Labor government has spent all the reserves, there will be plaques everywhere reminding us of their wastefulness well into the future. Minister Weatherill will even have his own living green wall of vegetation as announced in his press release dated 18<sup>th</sup> August along with \$700,000 in grant funding for green commercial office buildings.

The government's small minded and money wasting approach to big issues is nowhere better shown than its actions in dealing with climate and water issues. Instead of progressing the generation of renewable energy and new water supplies along with miniature wind turbines the government has indulged in water gimmicks such as retrofitted shower heads, water reticulators, garden goods, washing machines, pool covers, low-flow shower heads and expensive rebates for rainwater tanks that provide the most expensive water, even according to their own documents. None of these gimmicks answer the big issue of carbon emissions from coal-fired power stations, or the provision of new water for our growing population and industries.

The beautiful State of South Australia deserves better than this self opinionated bullying government not listening to their needs and spending their money unwisely as they have done so often before. It would be nice for once for a Liberal Government to take over the reigns and be able to understand some real nation building projects before the States economy is totally wrecked. Instead we have the very difficult and unpopular job of cleaning up the mess after

Labor governments have left the economy in tatters. It's time for a change!

**REGIONAL INFRASTRUCTURE AND SUPPORT SERVICES**  
**26 May 2005**

**Mrs PENFOLD (Flinders):** I totally support this motion. In an electorate like mine of 42 000 square kilometres, 10 hospitals, 72 education institutions, 60 per cent of the state's seafood and 40 per cent of the state's grain, there is a very low infrastructure input. However, today there is a big announcement. Today I am told that I am going to get \$48.5 million to provide for water that we have been trying to get for the last goodness knows how many years. It has finally been recognised as being an issue.

**Mrs Geraghty:** How many years? Was that when you were in government? You had been trying and you didn't get it?

**Mrs PENFOLD:** Yes. SA Water had not recognised that there was a problem but now it does; which is wonderful. At last there is a recognition of a problem and, instead of giving an innovative solution, they have decided to go back to old technology—and less innovative you could barely ever imagine! A \$48.5 million pipeline to bring in just over a gegalitre of water, which will not even take Eyre Peninsula off restrictions. We will still have restrictions after \$48 million. I can get five gegalitres of water, which would provide over half of the whole water requirement for Eyre Peninsula—

*Members interjecting:*

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

**Mrs PENFOLD:** —for about half that price. At the moment we are using about 9.5 gegalitres of water. We have reduced it because of these stringent restrictions. It is mostly coming out of the underground basins south of Port Lincoln. These basins are overdrawn. It is expected that, if it has not already happened, there are going to be incursions of water from the sea, and that will make that water saline and we certainly will need to have a desalination plant. But we badly need to take the pressure off those underground basins immediately—not in 2007 when this so-called pipeline is going to come into production, which is going to provide us with just over a gegalitre, but right now. In 2003 we were promised a \$32 million desalination plant, and where is that? It is still a dream.

Then, of course, it is going to use water from the Murray River. We have all been paying this River Murray levy expecting that it was going to enable environmental flows down the River Murray. I think the people of South Australia are going to be furious that the River Murray levy water they have been paying is actually going to be used not for environmental flows down the River Murray but to be put into one big, long pipeline that will go from Whyalla through to Kimba. We only have a 300mm pipeline at Kimba, so how does it get to the rest of Eyre Peninsula anyway? They would need to replace most of the pipelines on Eyre Peninsula. The pipeline system on Eyre Peninsula comes from the southern basin, south of Port Lincoln, with the biggest pipelines down south. It then gets smaller and smaller as it goes up. Cowell has about the same size pipeline but Kimba is closest to Whyalla with a 300 millimetre pipeline. There is no way we are going to be able to expand that without further expenditure, so this is a very short-term low-technology fix using old technology when we are supposed to be the innovative state.

I went to the vivasa launch last night on the economic indicators for the state which identified that the regions of South Australia produce four of the top five export commodities in the state: beverages, fish, copper, industrial seeds, grains and fruit. A lot of that comes from the Eyre Peninsula and Yorke Peninsula. Yorke Peninsula is also in desperate straits for water. What are they going to do? Add a branch off to Yorke Peninsula so that Yorke Peninsula is also going to get more water from the Murray River? We met with a delegation this week from the Yorke Peninsula desperate for more water, and here is this government where the rest of the world is embracing new technology by putting in desalination plants; the technology is improving daily. They are putting in plants. There is over 300 of the type of plant that I am proposing we should put in to Ceduna around the world already producing very good quality water. Yet, this dumb government is once again going to spend money that is not going to be income earning.

**The DEPUTY SPEAKER:** Order, the members on my right!

**Mrs PENFOLD:** This will add to all the other dumb expenditures. It is not going to provide income and jobs for this state. What they really need is some business brains. Opening bridges at \$136 million—where is the gearing in that money? A Glenelg tram is another \$21 million. A bus and rail interchange is \$7 million. Here we are with a railway system on Eyre Peninsula taking a good part of the 40 per cent of the state's grain down to Port Lincoln that needs \$40 million to upgrade it. I believe it should actually be

connected through to Whyalla and I would sooner the money went into connecting the railway, standardising it and putting it through so that it can link at Whyalla to their railway—

*Members interjecting:*

**The DEPUTY SPEAKER:** Order!

**Mrs PENFOLD:** It would mean a lot more jobs and economic prosperity for this state if we linked the Eyre Peninsula railway through to Darwin than it will be to put \$48 million into a pipeline between Whyalla and Kimba for a dribble of water, less than we would need to take us off the restrictions that we already have. The Eyre Peninsula Catchment Water Management Board predicted in their last minutes that we have an increase expected on Eyre Peninsula of 5 000 new developments within the next three to five years. Part of that is a big new marina up in Ceduna—a huge marina which will be wonderful for Ceduna.

What is the water like in Ceduna? I was up there last week. The water in Ceduna, when you have a shower in it, is like a chemical bath it has so much chlorination in it. We do not know what the problems are of bathing in and drinking water with that level of chlorination. If we had a big desalination plant up there, we would be able to put that water in and that marina will have good quality water to drink. Even one of my farmers up there is just putting in \$9 000 to provide a water purifying system for his sheep because the water on Upper Eyre Peninsula is so bad. What are they going to do? They bring water in from the Murray River, deplete the Murray River further, and that water is going to have to be highly chlorinated as well. So, we are going to get a chlorinated, chemical mess on Eyre Peninsula for \$48.5 million. I cannot believe that any minister could be so silly, and it adds, just as I said before, to all the other decisions that this government is making that I just cannot understand how they can believe that they are going to increase the prosperity of this state.

That \$122 million for a South Road tunnel—maybe we do need it one day, but perhaps we should put that money now into things which can be geared that will provide jobs and wealth for this state and not put it into something that is going to sit there and perhaps save 10 minutes of travel for the people of the city. This is a city-based government. It is a populist government. It is never going to be able to solve the issues and create the real wealth that this state needs to proceed into the future. It is a union-run government, and I do not think that we will ever be able to prosper until we get a Liberal government back in this state—the sooner the better. I am hoping that people, after this budget, will wake up to what we have—a gimmicky government. This government puts solar panels on top of schools so that the children can learn; perhaps a solar panel in the yard would be all right, but to spend millions of dollars—

*Mr Hamilton-Smith interjecting:*

**Mrs PENFOLD:** Signs out the front of closed schools. This government sees \$20 million going to Carnegie Mellon University when we could have a little bit of that money for Marine Innovation South Australia and we would have a world-class centre of excellence in Port Lincoln for marine education, research and development. At the moment, South Australia loses its students—

*Members interjecting:*

**The DEPUTY SPEAKER:** Order, the members for Wright and Torrens!

**Mrs PENFOLD:** —to Tasmania. Tasmania is getting students from around the world and from South Australia, and we should be getting them. I think that the minister should resign.