



**Appropriation Bill (Budget 2005)  
23 June 2005**

**Mrs PENFOLD (Flinders):** I am most concerned about the plight of our regions, and I have seen little in the budget to make me any less concerned. Today I take the opportunity to put on the record some of the excellent points that have been made in a submission to the Independent Inquiry into the Financial Sustainability of Local Government by Vance Thomas, the executive officer of the Eyre Peninsula Local Government Association. Vance points out the issues as he sees them for the region covered by the EPLGA, which includes Whyalla. He states that without some serious underpinning we already have a couple of our councils under immediate stress and in serious financial difficulties. His concerns are my concerns but, as he has found, it is difficult to get anyone to listen. Vance sets the scene with a geographical and economic overview of the regions, as follows:

xThe Eyre Peninsula occupies a vast tract of land approaching the size of Tasmania. It measures 72 410 square kilometres in area, or roughly one-third of the state land mass (40 per cent unincorporated).

xEyre Peninsula's population of 55 392 represents 3.6 per cent of South Australia's population (Whyalla included).

xDistance between Port Lincoln and Border Village equates to Melbourne to Sydney via [the] Hume Highway (918 kilometres). Our nearest major market in Adelaide is located nearer to Melbourne than it is to Streaky Bay.

xOn average, the size of an Eyre Peninsula council is nearly double that of its state counterpart.

xAverage population of an Eyre Peninsula council is 4 003, compared with the state average of 22 348 or a factor of 5.5 times.

xAverage number of council employees working in an Eyre Peninsula council is 34, compared with a state average of 107.

xThe average revenue of an Eyre Peninsula council is \$4.67 million per annum, compared with a state average of \$15.4 million.

He points out that on a state per capita basis this is a high performance region, generating in an average year:

xa third of South Australia's grain harvest;

xtwo-thirds of the state's catch of seafood;

xhome to one in every six of South Australia's sheep;

xhigher levels of visitation than any other country tourist region in South Australia;

xprocessing all of the state's steel and a fair bit of its gas;

xsitting on a rich bounty of minerals, ranging from gypsum to gold;

xone of the world's top ten locations for the generation of wind power;

xhealthy growth in coastal real estate, as a result of 'sea change', tourism and retirement trends; and

xone of Australia's most aggressive and successful exporters.

However, Eyre Peninsula's infrastructure challenges are daunting. He continues:

Water: Eyre Peninsula's primary water supply is sourced from a series of underground basins topped up by the ailing Tod Reservoir system. The region remains in a crisis position whilst totally dependent on these finite reserves as the sole water source. Roads: Eyre Peninsula has a local road network of 13 798 kilometres, 93 per cent unsealed, representing 18.1 per cent of South Australia's roads maintained by 3.6 per cent of the population. End to end, that network would exceed the distance of Highway 1 around Australia.

Waste: Barriers of distance, landfill rationalisation, cost effective recycling, efficient disposal of green waste, escalating transport costs, waste reduction and raising the legislative bar are challenges that must be addressed with some urgency.

NRM: Although there is support for the decentralisation of power, integration of decision-making and project management as described in the new state model for NRM, local government has made it clear that it would only negotiate a devolved regional structure in an atmosphere of equity, partnership and adequate resourcing. The potential for cost shifting is a major concern.

Electricity: Eyre Peninsula is in a vulnerable position with regard to its regional power supply, totally dependent on a 40 year-old single transmission line from Whyalla to Port Lincoln. Augmentation costs for commercial power infrastructure is prohibitive, due to size and remoteness. Despite being one of the prime spots on the planet to generate wind power, shortcomings in the transmission infrastructure make it difficult to get the product to market.

Grain freight: Eyre Peninsula Grain Freight Summit was convened in Cummins in October 2003. Grain is the region's biggest economic driver, generating roughly a billion dollars per annum and employing a third of the region's work force. Movement of grain harvest is by far and away Eyre Peninsula's biggest transport task. Broadacre farming also plays a critical role in survival of the region's inland rural centres. A safe, efficient and competitive transport system to deliver the region's annual harvest from paddock to port was identified of critical importance to the region of Eyre Peninsula. Every stakeholder identified the retention of a viable rail network as the essential element in that equation.

A major funding submission has been lodged with the commonwealth Department of Transport and Regional Service. Outcome pending.

Jetties: Ownership of recreational jetties was divested to local governments by the state government in the late nineties. Eyre Peninsula's coastal councils were left with the care/control of close to a third of South Australia's jetties.

Transport: There are only limited public transport facilities beyond the three main centres of Port Lincoln, Whyalla and Ceduna. There are currently no commuter air services to Cleve, Cowell, Wudinna, Streaky Bay and Elliston.

Regional organisations: Local government on Eyre Peninsula has a major challenge in maintaining their regional organisations such as economic development, tourism marketing, water catchment, local government and natural resource management, compared with smaller more populous regions located closer to town.

The combined impacts of size, location and population have a clear and demonstrable effect on the sustainability of remote rural councils. Rather than to expand further on those impediments, we have chosen to give simple, practical examples of the difficulty of sustaining our councils in the bush over the medium to longer term.

The Commonwealth Grants Commission cites five main reasons for the increased functions tackled by local government over the past couple of decades. They are new functions by devolution (or divestment), raising the bar by legislative or other changes, cost shifting, community expectations and policy choice. Eyre Peninsula could probably add a couple more to that list.

I certainly could. As to new functions by devolution, the example that Vance gives is the divestment of recreational jetties. In July 1997, the state government advised of a proposal to divest South Australia's recreational jetties to the

care and control of local government. Eyre Peninsula believes that the proposal was inequitable, based on the premise that the region was home to one-third of South Australia's recreational jetties with the population base of less than 30 000 to maintain them.

Issues of equity, capacity of local government to finance ongoing jetty maintenance, liability and cost shifting were raised. Negotiations/lobbying between the minister and the officers of Transport SA ensued for the next 12 months, eventually resulting in contracts being drafted and leases being signed. One of the real sticking points was the inequity between country and city. The Adelaide metropolitan area has seven jetties, at 15 per cent of the total, with 1 045 854 people, at 73 per cent of the total population. Eyre Peninsula has 15 jetties, at 31 per cent of the total, with 29 170 people, at 1.9 per cent of the total population. Despite assurances given that leases with metropolitan councils were to be signed, eight years on, a number of metropolitan jetties still remain under the care and control of Transport SA and, therefore, the government. The Eyre Peninsula Local Government Association raised this issue with the South Australian Regional Organisation of Councils, a group representing 49 rural councils and cities across the state. The following resolution was passed: that SAROC makes representations to the Minister for Transport seeking early resolution of the issues of the care and control of recreational jetties with metropolitan councils or, alternatively, renegotiate agreements with country councils to better reflect a more equitable sharing of financial-legal burdens being carried across the state.

The next heading refers to raising the bar by legislative or other changes and gives waste management as an example. Due to the size and complexity of the waste management task on Eyre Peninsula, a regional approach was adopted in 2002. The key elements identified were: efficient waste management practices and effective use of council resources; opportunities to improve existing waste management services; adequate levels of service to ratepayers through a coordinated and integrated approach; and compliance with Environment Protection Authority guidelines. At that time, the game of regional waste management for Eyre Peninsula seemed to be played on an oversized playing field, with moving goal posts and a changing set of rules. Those rules and penalties were getting tougher by the year, and beyond our capacity to have any significant input.

The Eyre Peninsula Waste Management Strategy was delivered in 2004. Preliminary numbers crunched by consultants URS Australia on the rationalisation of the region's waste management structure paint a financial scenario that is a cause for some concern. Full compliance would witness the regional price tag to deliver the waste management task escalating by a factor of two to five times. Member councils are committed to lifting their game in the field of environmental management. But, at the end of the day, it may not be what we would like to implement in waste management reform but what we can afford—in financial terms, in human resources and community impact.

Cost shifting can impact on local government in one of two ways, first, in service provision for another tier where funding is reduced or stopped and, secondly, when council steps in where another level of government ceases to provide a service. The example Vance gives is local road funding: without doubt maintenance of the local road network is the big ticket item on the budgets of Eyre Peninsula councils. A recent lobby by the Local Government Association identified that South Australia has 11 per cent of national local road length, and 7.7 per cent of national population. Its current level of 5.5 per cent identified local road grant funding is inequitable. Using road length and population as an indicator of relative road use, South Australia should get 9.4 per cent of the funding. EPLGA's sphere of influence is criss-crossed by a local road network of 13 391 kilometres, 93 per cent unsealed, representing 18.1 per cent of South Australia's roads being maintained by 3.6 per cent of the state's population.

I would love to continue; however, my time seems to be up. I will never believe that population-based funding, as practised by this Labor government, is fair. One minister said in the house, when speaking about road funding, that the money should go back to where the people are. On that basis, Eyre Peninsula would never get roads, regardless of our economic input into the state. I ask that the government take note of the concern of our region, and our regional councils, and the issues that will impact negatively on the goals that the government has set for itself unless they are dealt with.

### **Appropriation Bill (Budget 2005) 31 May 2005**

**Mrs PENFOLD (Flinders):** The Treasurer said that he has no problem about not keeping his promises because he has the moral fibre to say he has changed his mind. He does not mind misleading South Australians either. The Treasurer spouts good

news of land tax cuts despite knowing, but not advertising, that land tax collections in the next year will rake in for him \$10 million more in revenue than this year. He certainly does not sing so loudly the increased collections of 6 per cent from the emergency services levy, nor that he is the highest-taxing treasurer around with water rates, bus fares, car registration fees and other fees and charges up by an average of 3 per cent, all coming from the pockets of South Australians. That is all despite the total GST revenue coming into this state of \$3 460 million next year. While accepting \$3.46 billion in GST and upping fees and charges on one hand, he blatantly advertises \$1.5 billion in tax cuts when many of these so-called tax cuts do not come into effect until 2009-10. Just what is he doing with the money? Where are our funds going?

Every line of this budget has the element of a change of mind coupled with a distressing lack of vision and bad economic management that I believe will lead us back to the situation where the people of this state will put in a Liberal government to fix up the mess. I hope that they will recognise the problem and change back to a Liberal government on 18 March next year and that this time it will not take a disaster of the magnitude of the State Bank to do it. Examples of mismanagement and short-sightedness must include the provision of water for Eyre Peninsula.

In the 2002 budget, the Labor government promised a \$32 million PPP for a desalination plant for Eyre Peninsula. That was reiterated in various forms in each of the subsequent budgets, with the former minister for administrative services stating on 4 June last year that it was written in blood. Water is badly needed if we are not to overdraw the underground resource and to meet the needs of the estimated 5 000 new developments expected within the next three to five years on Eyre Peninsula which have been identified by the Eyre Peninsula Catchment Water Management Board.

Let us look at the ideas the government has come up with to solve Eyre Peninsula's critical water shortage this time—extending the pipeline from the poor old River Murray across the top of Eyre Peninsula. Rather than applying vision and finding a new source of water, the government is proposing to spend \$48.5 million on a white elephant garden hose that will be outdated before it is built and will put even more pressure on the critically depleted Murray. If I hailed from the Riverland, I would be very unhappy with this short-sighted solution, something perhaps that the Minister for the River Murray should ponder. Minister Wright has said that the water for Eyre Peninsula will be bought from South Australian and interstate irrigators who already hold water allocations.

Instead of buying those allocations to increase environmental flows, which we were all told was why we were paying our River Murray levy, that water is going to be pumped to Eyre Peninsula, a point that I am sure will not go unnoticed by all those paying the River Murray levy. Not only is the water coming from the Murray but the money is going to come from the taxpayers. This is at a time when, as I have already told the government numerous times, private companies have expressed interest in building a desalination plant at Ceduna to service the town and surrounding areas. A private company is currently offering to build a five-gigalitre plant for \$20 million, less than half the amount this government is intending to spend on providing a garden hose from Whyalla to provide highly chlorinated water thousands of kilometres from the River Murray which will initially provide a comparative dribble of only 1.4 gigalitres. The proposed desalination plant would meet more than half of Eyre Peninsula's current water requirements and all the government would have to do is pay the company a fair price for the water which would then be sold to householders and businesses through SA Water at the usual price. This good quality water would cost SA Water less than half the \$3.60 per kilolitre it currently costs SA Water to get highly chlorinated and mineralised water to Ceduna that ruins pipes, taps and water softeners.

Last week we had the ridiculous spectacle of two government ministers contradicting each other over what is going to happen to the River Murray. On Tuesday 24 May the Minister for the River Murray (Hon. Karlene Maywald) put out a media release warning that River Murray water users face further restrictions in water allocations in the order of 70 per cent from the start of the 2005-06 year. This will follow current restrictions for the 2004-05 year. She said that this would be necessary because of the extended dry period in the Murray-Darling Basin over the past three years—which, unfortunately, looks set to continue. I quote from the minister's press release as follows:

Inflows to the River Murray continue at historically low levels, showing that the Murray-Darling Basin is still in the midst of serious drought. Murray-Darling Basin Commission storage levels remain well below the long-term average.

Then on Thursday 26 May the Minister for Administrative Services (Hon. Michael Wright) announced that the government will spend \$48.5 million to extend the existing pipeline from the River Murray across the top of Eyre Peninsula to put more pressure on the river. This farcical approach to the state's most precious resource would be funny if it was not so desperate.

It is my hope that the Treasurer will have the moral fibre that he so flouts to change his mind once again back to the public

private partnership and away from this current dumb idea. The \$48.5 million that he has committed to Eyre Peninsula could then be put to much better use upgrading, standardising and lengthening our rail network so that we could hook up to the Darwin to Adelaide line via Whyalla. What a boon for the state and for the member for Giles that would be. Then we would have a new transport option for grain and mineral exports, which will become vital if a number of proposed mining developments go ahead on Eyre Peninsula. The Rann government constantly states that it wants to triple exports. Eyre Peninsula is the key to this vision, but it will all come to nought if this government does not have the vision or creativity to commit to infrastructure to support the vision.

The most recent example of Eyre Peninsula's mining potential was the announcement last week by Terramin Australia and Zinifex Australia that they will spend \$8 million on exploring lead, zinc and silver deposits north of Kimba. This combines with the coal, iron ore, gold, diamonds, graphite and mineral sands that are being investigated at present, and the salt and gypsum that are already being shipped out through Thevenard. We could use some of the money saved from this farcical pipeline for upgrading the Thevenard harbour so that larger shipping could enter to take our grain and our minerals, or we could use the savings on the road network to seal some of the 95 per cent of unsealed local roads to improve transport for the 30 to 40 per cent of the state's grain or the increasing number of tourists who traverse them.

It was good to see that the state government has at least set aside \$5 million to finish widening a dangerous section of the Lincoln Highway between Arno Bay and Tumbly Bay. However, I question why the project had to be stretched out over two years, given that the section is only 22 kilometres long. There is an urgent need for the final section of this rural arterial road to be improved for the safety of motorists and its vital importance to Eyre Peninsula's export industries.

I am also concerned that the government appears to have lost \$2.72 million in less than 24 hours. The following is a quote from *The Advertiser* of Friday 27 May regarding funding for regional South Australia: 'Fire affected businesses on Eyre Peninsula will receive \$5.4 million.' On the afternoon of Friday 27 May, the Minister for Agriculture, Food and Fisheries and the Minister for Environment and Conservation put out a joint media release headed: 'SA government commits another \$2.68 million for bushfire recovery'.

Reading the fine print, it transpires that the federal government is to be asked to match the \$2.68 million, making a total of \$5.36 million, just \$40 000 short of the announced figure. Presumably, this \$40 000 is the required co-investment from the land-holder (also mentioned in the fine print). The grant is over two years; therefore, the \$2.68 million is halved as far as the critical next 12 months is concerned. It is particularly critical, because rain has not yet fallen and drought is feared. It really is smoke and mirrors. One wonders how many more inaccuracies and incorrect figures are part of the budget.

A past big budget announcement of the Marine Innovation South Australia (MISA) project for a world class centre of excellence for research, education and development for temperate marine species in Port Lincoln has not eventuated. However, this government has some very strange priorities when it comes to education and research. It has just committed \$20 million to help a university from the United States to set up in Adelaide when MISA has not happened and our three existing universities and TAFE are finding it tough. There is a finite pool of students and funding, and now our institutions will have to compete with a university from the world's wealthiest country which, in the words of UniSA's Vice Chancellor Denise Bradley, has been given a 'leg-up' by our own state government. As she also pointed out, UniSA offers courses in countries in Asia, Europe and Canada but has never received funding support from governments in those countries. If the Carnegie Mellon University wants to come here, we should welcome it, but it should be able to do so standing on its own feet, because the \$20 million could be put to much better use in our own institutions. And this from a government that condemned the former Liberal government for assisting businesses to relocate to South Australia. Could this have something to do with the fact that this is a Labor government and it would have been competing against other Labor governments and assisting those disgusting creatures called businesses?

This largesse also contrasts sharply with the state government's attitude to the chronic problem of overcrowding at the Port Lincoln junior primary and primary schools and the associated traffic and safety problems caused by a lack of parking and congestion. The lack of space on the junior primary campus means that some classes have to use classrooms across the road on the primary school campus. So, these quite young children have to make frequent crossings of a busy road to access services such as the library. John Chadwick, Assistant Director of Asset Policy and Capital Programs in DECS, has acknowledged that 'traffic management and safe access issues have been raised as a high priority need for the safety of students'.

Way back in November 2002 a project officer was hired by the education department to compile a brief for the state government on the options for Port Lincoln's schools and kindergartens, especially the overcrowded central schools, to once and for all look at the problem into the future. Public and private meetings were held in Port Lincoln the following year and the report was expected to be completed in April 2003. But here we are in May 2005 and it is yet to see the light of day, despite

repeated requests to the minister (Hon. Jane Lomax-Smith) from me and many concerned people in the community. The Rann government had set aside \$250 000 in the 2002 budget to look at the problem. Only \$50 000 of the commitment was spent, and we still have nothing to show for it.

Meanwhile, Port Lincoln's population is continuing to grow steadily and the overcrowding in our schools is only going to get worse. In the 2002 budget, the \$5 million Ceduna school was promised. This included \$1 million from the federal government. Here we are at the 2005 budget and what is left of the promises is still not built. Presumably, it is another carryover that we will continue to wait for. The original Demac buildings brought from Adelaide that were put at Ceduna as a temporary measure in 1978 by the former government are still there waiting for the addition of the next lot of buildings to come from Adelaide. It is ludicrous that, despite \$178 million being committed for opening bridges, further millions being outlaid for overpasses, \$47.4 million being paid for nine super trams and \$21 million being paid for tramlines to be extended, the government does not appear to have included the \$500 000 that was requested by the regional cities to pay for the regional bus services. This government is putting higher and higher penalties on those who use the roads and, in particular, is critical of country road users, but we have no other options. No respite is given.

Hospitals in rural South Australia, too, have been duded by the Treasurer's budget, with \$8 million less to be spent on hospital rebuilding or building programs this year compared with last year—an astonishing \$36 million less than the previous Liberal government. Hospitals and health services in the previous Labor budgets have been severely underfunded and have had to cut their budgets and services. One only has to look at the chronic cuts to obstetric services in my electorate, forcing families away from their loved ones while waiting for the birth of a child, as an example.

It is just one more example of the lack of equity, waste of money and lack of vision and business sense of this state government, and there are plenty more in the state budget. Perhaps, though, this Treasurer, who changes his mind, is marginally more honest than the member for Lee, who stated in the house that Labor governments always keep their promises as we still wait for the 2002 budget's urgently required desalination plant for Eyre Peninsula that was 'written in blood'.

## **2004 Appropriation Bill** **1 June 2004**

**Mrs PENFOLD (Flinders):** The third Labor budget has now been tabled and gives lots of promises, particularly for those who live nearest the city of Adelaide. However, for those who live outside the city, pensioners and self-funded retirees, there still remain many promises that have not been honoured from the first and second budgets, and it is disheartening that even the few budget items that we have received in this budget may not be delivered either, judging by the Labor government's track record.

The Treasurer is struggling to make his name as the Treasurer who delivered a AAA rating to South Australia. However, the glory will not be his. Was he not part of the Labor government which presided over the State Bank debt and which lost our AAA rating in the first place? Who left our state unable to pay even the interest on that debt, let alone the expansion of our infrastructure and the stimulation of industry to provide jobs for our people? Dr Hayden Manning, Senior Lecturer, School of Political Studies at Flinders University, said about the Liberal government on the ABC yesterday:

*They sold ETSA, and they sold ETSA for one big objective: to bring the state debt down; and what Mr Foley doesn't remind us voters of is that the only reason he's within cooee of the AAA rating given by the international financial ratings agency Standard and Poor's is because we relieved so much debt by selling ETSA. Whenever you turn the heater on you can think that in your own small way you're contributing to the AAA plus announcement, which I expect will probably happen within the next six months, at least within the next year.*

The provision of new power in the state to enable more people to have airconditioners and time saving appliances in their homes and for businesses to expand has come from private enterprise, with no help from this government. Not even help with the augmentation costs to provide upgrades of general community power services that would enable businesses to expand and housing developments to proceed in our regions have been offered. Yet \$64 million has been paid to the providers of gas through the Adelaide pipeline to ensure that those gas users connected to the pipeline will not have to pay more. This is despite the users of bottled gas having to pay about twice as much.

What would the multiplier effect have been and jobs created if this \$64 million had been used to enable business and housing to go ahead? It is interesting to see the recognition of the need for the funding of power connection with the state

government taking responsibility for assisting in the provision of \$2 million only to provide upgrades to the Kangaroo Island power supply in 2004-05. How much better if the \$64 million spent on reducing the cost of gas to a few had been spent on power upgrades across the state and not just lost without benefiting most taxpayers. Now the former Liberal government has the state back on track with the AA plus rating, and the benefits are flowing through from the federal Liberal government's early GST payment (\$28 million this year) and tax increases, an additional \$587 million more than in our Liberal government's last budget (more than a billion dollars is coming from property taxes alone). Bearing this in mind, the Treasurer could afford to be more generous in what is his third budget.

But not only have many of the other promises not been delivered: even the promises in this budget are mostly in the third and fourth year, cynically matching the time of the next election, with very little being promised for this year. To illustrate the anger in education, I quote from a letter to the Editor of the *Port Lincoln Times* about a meeting described by the writer Mark Pfitzner from the little town of Butler Tanks as a war council to discuss resources and facilities, and held at Wudinna in my electorate on the Eyre Peninsula last Sunday. The principals and governing school council chairpersons from the 12 area schools that I represent were all present, despite some having to travel more than 400 kilometres to attend. The letter reads:

*The 12 far west tribes (Eyre area schools) came off their reservations to sit at a war council meeting to discuss resources and facilities with all principals and governing school council chairpersons present. The common problem discussed was the lack of deliverance, empty promises of money to be spent on asset management which has a huge backlog of work identified. Superintendent for Learning Resources and Services Mr John Gregory attended the meeting although not initially invited was welcomed to smoke the peace pipe. John's responses took the tone of I am just the messenger I can't give you what I haven't got, and 'I have only six staff to process 1 200 applications for the backlog of work.' He also described a total of \$45 million of works to be completed with just \$6 million. This fact outraged those present. Once again Eyre Peninsula missed out on a fair share. Only one of the 12 area schools has had its building works completed. A minute share of the promised works money has been spent out west. The P21 system of local management is dead. The system although underfunded did work, at least improvements could be seen.*

*The new Russian roulette smoke and mirrors approach which is already 12 months behind might give you something if you're running on a hot streak. Best bet would be to send your children to teachers college at least for a unit or two because home schooling might be the only option in 20 years time if facilities can't be even maintained. Next War council sitting is August this is not satisfactory.*

The letter is signed, 'Mark Pfitzner'. In a separate note emailed to me, Mark said how the group acknowledged the tremendous outcomes for the reception to year 12 students, which were currently being achieved in the area schools across Eyre Peninsula. He mentions the concern of the meeting when they compared notes and found that only one of the 12 schools had last year's asset funded projects completed, and most had not yet even been started. One of these would have been Ceduna's junior school, which was originally funded with \$5 million (including \$1 million of federal funding back in 2001) and which has been included at \$3.9 million in the last two Labor budgets—but which had disappeared without trace in this budget.

Fortunately, after a question in the parliament the week before the budget, the new minister promised that it will be completed without the administrative section before the first term next year. We will wait and see. Meanwhile, the unnecessary Sturt Street School in the city has been reopened for students. It now has, I understand, around 70 students, all of whom have other options. The cost of renovating this school has reached around \$6 million, and arsenic and salt damp issues are still being dealt with. No wonder the people attending the Wudinna meeting, who have hundreds of thousands of dollars worth of work to be undertaken, are angry.

Similar outrage is being indicated with respect to the situation in our 10 regional hospitals in that, for the third time, funding provided is less than inflation. The minister knows that it is impossible to maintain them as acute care hospitals, despite her undertaking to keep them as acute care when I specifically questioned her in parliament when she first became minister to make sure that her response was on the *Hansard* record. With funding being cut, services are being withdrawn back to Port Lincoln, Whyalla and Adelaide.

Last year the cost of the Royal Flying Doctor Service retrievals of patients from Eyre Peninsula to Adelaide was \$800 000. Thousands more were spent under the Patient Assisted Travel Scheme (PATs) and thousands more by private individuals to travel to and from appointments. This puts further pressure on the Adelaide hospitals, and puts already ill country people and their families through major trauma as they try to organise their lives and finances to ensure that their loved ones get the treatment they need. These patients are being sent home often earlier than they should be, again putting pressure on everyone,

only to find that the expected support services are not available in the regional hospitals due to lack of funding.

During the year, five new paid ambulance officers were placed in Port Lincoln, doubling the number of paid people. But funding could not be found for allied health personnel, such as physiotherapists and speech therapists. Perhaps putting the ambulance under the health portfolio will mean that there can be some job sharing and that, perhaps, the ambulance officers can also be physiotherapists and speech therapists, or fill other health positions to ensure that essential jobs are filled. As all the other ambulances on Eyre Peninsula are manned by volunteers (many of whom are holding down full-time paid positions within their communities), this suggestion does not seem to be unreasonable.

There are many other issues in this budget, such as water supply charges up by 4.4 per cent, car registration up by 3.8 per cent and drivers' licences rising by 3.4 per cent, but I will finish on two that, despite delays, are positive if they are followed through. The first is the proposed \$32 million public/private partnership desalination plant which was written in blood by the then minister after the last budget and which should have been operating by now. In this budget it has metamorphosed into a \$25 million desalination plant to be built by SA Water, with the first \$5.2 million only to be spent in the 2004-05 financial year, which begs the question: when is it going to be finished—if, of course, it even gets started this time?

An opportunity to use the wind energy from the Cathedral Rocks wind farm before it goes into the grid to desalinate sea water and shandy it with the Uley water is not being taken up, despite this option being able to reliably supply unlimited water into the existing system—a supply which would not be restricted in times of drought when the water is most needed and one which can be increased by adding further units on site at any time. The most recent price I have heard for desalinated sea water is \$1.36 per kilolitre, and it could be less with a bigger plant using predominantly wind energy.

The last item I want to mention tonight is the Marine Innovation South Australia (MISA) project to be based at Port Lincoln. I wrote to the Premier the week before the budget, again stating that this project is of national importance and asking him to give it consideration. However, as I had already been disappointed in three budgets, I was not getting my hopes up. I was delighted to see it announced in *The Advertiser* the day before the budget came down with a \$12.9 million commitment by the Labor government. I was a little disappointed when I saw that only \$300 000 was actually committed in this budget and that only \$500 000 was committed in the next one.

Is it not strange that, in an election year, we have a promise of \$4.1 million and the year after that \$8 million, giving a total of \$12 million? However, the commitment is very important as it sends the signal that this wonderful project will finally go ahead with the state government's support, and this means that the federal government and the bodies that it funds can now seriously get on board and gather together the remaining \$12.1 million of the proposed \$25 million project to have a world-class temperate marine centre of excellence, which, I hope, will one day also incorporate our TAFE and senior high school.

To me it is the most exciting item in the whole budget. It is one that I mentioned in my very first speech in parliament more than 10 years ago, and now I may live to see it become reality. It has taken a lot of people, a lot of time and a lot of work to get it this far, and it will take a lot more before it reaches even the start of its potential. I congratulate those people who have hung in there and kept trying, despite the disappointments, particularly those from SARDI, the Flinders Marine Science Centre, our three state universities (particularly Flinders University), the Museum, the CSIRO, the Port Lincoln City Council, the Eyre Regional Development Board, the Eyre Peninsula Local Government Association, industry and the many other passionate individuals, such as Eric Russell.

I urge everyone to get behind this fantastic project and stay with it now until it reaches the world stage as a world class centre of excellence for research, industry development and education of temperate marine species.

## APPROPRIATION BILL 3 June 2003

**Mrs PENFOLD (Flinders):** The regional areas of this state have, I believe, been shafted in this budget with the spear going right through the heart of the Eyre Peninsula. My words seem inadequate to put to the house the grief I feel as I see the potential of this region and the hopes and aspirations of the people that have been raised under eight years of Liberal government slashed into tatters after only one year of the so-called bipartisan Labor

government. The Premier said today, 'Put your state before your party.' I wish that he and his party would.

There has been no mention that I can find in the budget of the \$32 million desalination plant previously announced by the Minister for Energy at the September cabinet meeting last year and reaffirmed in the house on 14 May this year. Developments worth multimillions are currently constrained by lack of available water. Private enterprise is waiting for the tender, which was expected this month, to provide this desperately needed commodity. Is this yet another of the government's loud proclamations where actions contradict what is said by a minister? The desalination plant, supposedly a private/public partnership project, is glaringly omitted from the PPP short list, with police stations the only PPP flagged by the government in its budget papers. Another proposed PPP, the Glenelg trams, is now to be provided for with public funds, presumably after the government bowed to union pressure.

To add insult to injury we are now being expected to pay the Murray River levy of \$30 on every household in the state and \$135 on non-residential entities, such as farms, commercial businesses and schools and, presumably, all the country halls, clubs and churches. The pipeline stops at Whyalla. We on the rest of Eyre Peninsula do not use River Murray water. The Minister for the Environment said on radio yesterday that we must think about the issue on a broader scale than just those who immediately use the river water and then, in the same interview, said that he cannot comment about desalination plants: it is not his portfolio responsibility. You cannot have it both ways.

Surely the government should be looking at a holistic approach to water and not just slugging the taxpayer whenever it can. Even the Chairman of the Economic Development Board, Mr Robert Champion de Crespigny, highlighted the need for government departments to work together and break down the silos between departments, yet here we have ministers who obviously do not communicate with each other on related issues. Is this minister perhaps then unaware of the \$28.60 levy that residents and businesses on Eyre Peninsula already pay per year to the Eyre Peninsula Catchment Water Management Board, an initiative to address water conservation in our region—a levy that is going up again this year.

A spokesperson for the Conservation Council said that the money has to come from somewhere—where better than the users of the water. Where better, indeed! However, I am doubtful whether the Conservation Council is any better informed about the State of South Australia than the government is. If it was it would be pointing out the injustice of a levy on a region that is not connected to the River Murray and on top of an existing levy. The River Murray levy is a further impost on a region that has addressed its water resources shortages and, for years, sought practical ways to conserve water.

Many towns on Eyre Peninsula have water reuse programs in operation. The federal government contributed significantly to the grey water program in Port Lincoln, where effluent water is now being used to water ovals and bowling greens. The excellent work that has been done by the Port Lincoln City Council has been severely set back by this government's withdrawal of support for stage 2 of the Clean Seas and Water Reuse Program. Today, I have been advised that funding for the catchment management subsidy scheme will not be forthcoming. This program has the potential to save 200 000 kilolitres of water in an area where water restrictions have been in place since last summer.

Again, we have injustices heaped upon us and upon our productivity. Our region produces 65 per cent of the state's seafood and is home to about 85 per cent of the world's temperate sea species. It should and could be the world's centre for marine research, education and training, for which we are already a magnet through the wonderful work of the Marine Science Centre, yet there is no sign in this budget of the Marine Innovation South Australia project that would put us where we should be—at centre stage with a magnificent campus that would include SARDI research from West Beach, the Marine Science Centre, and possibly TAFE and high school campuses on land that is already owned freehold by the Port Lincoln City Council.

I had hoped that the former Liberal government would announce this wonderful project but decided that I would have to put up with a Labor government taking credit. I did not dream that it did not have the vision or the courage to take it on and put us and the state on the world map where we belong. Indeed, rather than highlighting and promoting our fishing and aquaculture industries—industries that are major contributors to this state's coffers and a major employer in the regional areas—this government instead, without consultation, inflicts another cost on the commercial fishers by imposing a jetty levy. The minister said today that this is all about cost recovery, but it is actually just another tax on regional areas, as most commercial fishers use private facilities not jetty infrastructure.

We are acknowledged to have one of the very best wind power sites in the world on the west coast of Eyre Peninsula. More than \$1 billion in wind power projects are ready to go ahead when the line into the grid has been built. The accounting firm Deloitte Touche Tohmatsu has written a report, 'Wind Generation Developments on the Eyre Peninsula—Economic Impact Analysis', which outlines, in scenario five, that the benefits of this project to the state were estimated to be \$4.72 billion.

When I asked the Minister for Energy on budget day whether he had read or been briefed on this report, I believe that he did not know what I was talking about. There was nothing in this budget even to provide a scoping study to investigate the upgrading of the old 132 kilowatt powerline from Whyalla which services the needs of Eyre Peninsula and which would enable two wind farms that lie close to this line to be built. If the way was led by the government, I believe that private enterprise would provide the funding to enable all the wind farms to be developed, but facilitation must be provided by the government.

How devastating to the state is the new 40 per cent increase in mining royalties. The exploration of the Gawler Craton that underlies the Eyre Peninsula and the expected jobs will now be curtailed. The message being sent is that this government does not want mining and is unlikely to facilitate new enterprises. Perhaps this is a means of ensuring that Yumbarra is not mined. What a blow to the Adelaide Resources and Newmont Australia joint venture announced only last week, which is expecting to spend \$5 million within the next five years in exploration alone on tenements on Eyre Peninsula. Newmont is the world's largest gold producer. The diamonds, coal and iron ore companies, one of which I spoke with last week, will all be assessing their viability in the light of this new impost and apparent lack of support.

Victimisation of Eyre Peninsula is nowhere more pronounced than in the roads program. The sealing of all rural arterial roads in the state which, under the Liberals, was to be completed next year has been gutted. The allocated funding of \$2.798 million for the whole state is only 3.5 per cent of what is required, and only a little more than what is needed to complete the Lock-Elliston Road alone. Labor has already backflipped on the Elliston-Lock Road. The Minister for Transport gave a written undertaking in August last year to complete the 19 kilometres remaining to be sealed by doing 10 kilometres in this financial year and 9.5 kilometres in the 2003-04 financial year.

That has been cut, without notice or advice, to 4.5 kilometres, with no indication when, or even if, under Labor, the rest will be sealed.

It appears from evidence such as this that Labor's written word is as worthless as its spoken word. Only \$1.9 million of the estimated \$7.8 million required has been allocated for ongoing work on the shoulders of the Lincoln Highway between Cowell and Tumby Bay, where the narrowness of the road is a constant danger. This major highway carries a larger volume of heavy transport than many other highways in the state. All this is from a government which consistently states that ensuring road safety is one of its major commitments.

But it seems that the Labor government has enough in the coffers to spend \$16.3 million on airconditioned buses in the city and a further \$56 million on the trams to Glenelg, on top of a subsidisation of \$160 million provided for buses in the metropolitan area.

I hear that the Department of Transport is buying back equipment so that unionised labour can undertake the little work that is left in the regions—work currently done by local contractors. Meanwhile, jobs in regional areas will be lost and families forced to relocate away from family and friends, while money that could have been used to build safer roads, save lives and encourage economic development is spent on city luxuries.

Just \$50 million is needed to upgrade the railway on Eyre Peninsula, or parts of it will be closed, throwing tonnes of freight and hundreds more trucks onto our already inadequate roads. Surely, that is a much better use for limited funds than trams in the city.

Blatant Labor self-promotion is just as pronounced in the two rural development offices opened in Port Augusta and Murray Bridge in the marginal seats of Stuart and Hammond. Both these offices, I believe, are manned by failed ALP candidates—presumably, in preparation for the next election. They are unlikely to deviate from the official Labor line of crucifying rural and regional South Australia. These offices are in addition to the Office of the Southern Suburbs operating under a very talented director, Ms Fij Miller, who was shifted from the efficient and effective Office of the Small Business Advocate, an office that I guess will soon be found to be no longer required.

One questions the need for providing millions of dollars to develop these offices when there are already effective offices belonging to local members of parliament, regional development boards and local councils operating in these areas that could well use the additional resources for actual programs. The crime prevention program scrapped by the Labor government would be regarded as a high priority for these funds by most people in those areas.

The Premier and the Labor Party people have spoken and written many fine words about education and health—again, actions contradict the fine words. Ceduna has been dealt a body blow with the removal of state funding for the redevelopment of the area school. The Liberals allocated \$5 million for the first stage of this project in the 2001-02 financial year, \$1 million of which was from the commonwealth government's 2002 capital funding program. The \$5 million was cut by Labor to \$3.9 million, with the completion date also extended from September 2003 to September 2005. Now, the funding has been cut to \$1 million this year—questionably, the federal contribution to the project. There is no evidence that the \$500 000 allocated to be spent in last year's budget has yet been spent.

The Minister for Education and Children's Services was quick to defend the cut in last year's budget when I queried it. Her patronising media reply included the information that \$500 000 was to be spent in 2002. *Hansard* also records the minister's statement, as follows: Ceduna Area School, a \$3.9 million project, of which \$500 000 is allocated in this budget. That was due to commence in June 2002 and be completed in September 2003. That will now be commence in December this year (that is 2002).

Once again, the words mean nothing. I visited Ceduna Area School just one month ago and, surprise, surprise, not a thing could be seen to be done. Where is the Labor government spending the money that it claims in the budget has been allocated to specific projects—projects that never eventuate? The commonwealth Minister for Education, Dr Brendan Nelson, in October-November last year took the unprecedented step of eventually withholding payments to South Australia under the federal government's capital funding program until the state government provided adequate explanations for the delays in school projects for which it had accepted funding. His action followed an investigation by his department which revealed that the South Australian government had accepted commonwealth funding for up to 26 capital projects in state government schools which had not been completed and, in some cases, such as Ceduna, not even started.

On Eyre Peninsula we have 10 hospitals. In the budget last year metropolitan hospitals received a 7.1 per cent increase. Our hospitals received a 2.4 per cent increase, which is less than inflation. This year, I understand the budget is 1.7 per cent extra for our hospitals. I do not know how they are expected to cope. These hospitals are already under stress to provide quality health care. The staff and members of the community already voluntarily man ambulances and raise funds for equipment. These are the same people who volunteer throughout our communities for emergency services and the like.

Is this what the Premier and his colleagues call open, honest and accountable government for all the people of the state, and a government for all South Australians? Is this a budget that supports a forward-moving state? I think not. What hope is there for young people with apprentices and trainees being dealt a blow in the form of a 50 per cent increase in training fees? Tradespeople are the backbone of development in the regions and, without a work force coming through apprenticeship training, who will provide these trades for our state?

Right across Eyre Peninsula, much like the rest of regional South Australia, we are in need of houses. Four transportable houses were delivered to Wudinna over the last few months, and we have three new families coming from Zimbabwe to live in Wudinna soon. Where will they live, and how will this help the new immigration policy?

Our Liberal leader put out a press release some weeks ago which said, 'Be afraid. Be very afraid. If you have had a Labor cabinet meeting in your area, the cuts soon follow.' There have been two cabinet meetings on Eyre Peninsula that my office tried hard to facilitate on the basis that they would help the new ministers have a picture of this huge region and its potential, and the wonderful people who live there. And how wrong we were! What I really would like to do now is secede from this miserable government and not return until we are once more valued and respected. Perhaps it is a vendetta against Eyre Peninsula because we have so many millionaires living in Port Lincoln. However, the government should recognise that we have our fair share of low income earners, with more than our fair share of unemployed people. They are spread over Eyre Peninsula, remote from many of the services that are taken for granted in the city of Adelaide. Does this government want to see the regions once again have

one of the highest suicide levels in Australia?

There is a saying that actions speak louder than words. The Premier has been very ready with words in the media. His actions, however, are at odds with his pronouncements. His actions shriek of injustice, victimisation, self-interest and callous cynicism, all delivered with expert media spin. As usual, a Liberal government, after years of a Labor government, pulled South Australia out of a massive debt and got its economic engine going again, with regions pulling more than their weight. A Labor government is once again stopping that economic engine and pushing the state right back into the bog.

## **APPROPRIATION BILL**

### **16 July 2002**

**Mrs PENFOLD (Flinders):** I have to congratulate the government on its marketing, and I sincerely hope that the media and the public will see through and expose the hypocrisy of what I consider to be a con perpetrated on the people of South Australia by a government that says it wants honesty in government. This budget is particularly galling for those of us who live in the country regions. My electorate, which encompasses most of Eyre Peninsula, contributes about \$1 billion to the state's economy. Such contribution (according to the government budget press release especially written for regional South Australia) will be recognised 'with increased funding in the priority areas of health, education, community development and essential infrastructure', and projects that were already approved in the 2001-02 budget will be honoured.

Not only have these promises been broken but, to add insult to injury, additional taxes are particularly targeted to hit those people who populate our regions. This is after another promise that 'none of our promises will require new or higher taxes and charges, and our fully costed policies do not contain provisions for new or higher taxes and charges'. The biggest education shock came with the cutting of the long awaited and budgeted first stage of the Ceduna Area School. All new schools (bar one, I understand) are in Labor electorates, and all are within commuting distance of the Adelaide CBD. So, a school that has brown hessian ceilings, that is full of stale mouse pee, dust and other unpleasant asthma causing nasties, will remain, presumably, until we get the next Liberal government. I invite the media to visit and see this school for themselves.

The health picture is no better. Within Flinders are 10 acute care hospitals catering for the needs of the families living in these remote regions and also the tourists who are beginning to visit this wonderful area. The needs are great in these hospitals, and much of the equipment and facilities are provided by the communities. Despite this, the increase in the budget for country hospitals is only 2.4 per cent (less than the rate of inflation), while the metropolitan hospitals receive a huge 7.1 per cent. I suppose we are supposed to be grateful that we have not lost our paid ambulance officer in Ceduna, when other regions have lost theirs. City people are often not aware that, except in Port Lincoln, the ambulances on Eyre Peninsula are operated by volunteers and that any added pressure to do more compulsory paperwork and training will further discourage these dedicated, busy people. Many ambulance services are already short-staffed, but city people demand an ambulance when they are in the country and happen to need one. The main east-west highway across Australia passes along the top of Eyre Peninsula and carries a huge volume of traffic, including buses and heavy transport. Their protection in the case of accidents that happen on this stretch is the volunteers who sacrifice to serve their communities. The same can be said for other regions.

One of our most successful community development projects has been the local crime prevention strategies, and it was acknowledged by the Liberal government that local solutions were needed that were tailored to suit their individual differences. Committees of dedicated volunteers have put in place some excellent programs. I was delighted to see that these programs had been funded, according to the regional budget press release, only for these people to be disillusioned when told by the minister that a mistake had been made and that this funding will not now be made available. This affects the most disadvantaged members of our community. Essential infrastructure for an electorate such as mine is a good road system to enable families to travel to school, work, church, sport and social functions. These roads are shared with the large trucks that carry the grain into the silos and the super to the farms, producing a good proportion of the state's wealth.

In 1993 the electorate had the two longest unsealed rural arterial roads in the state, and the then minister undertook to seal all rural arterial roads by the year 2004. The minister was on track to keep her promise and had also helped with some very dangerous designated regional roads. Imagine my horror when I found that the arterial road budget had been cut to only \$2.8 million and that the regional roads fund along with the tourism road funding had both disappeared altogether.

It costs around \$120 000 to seal one kilometre of road, and I understand that there are about 19 kilometres to go on the Lock-Elliston Road, equating to about \$2.28 million. This will presumably leave only \$520 000 for the arterial roads for the rest of the state, or are the people who live in what I understand is the largest council area with the smallest number of people in the state to wait until the next Liberal government?

The Elliston council also contains a large area of parks where the local people are expected to maintain roads and firebreaks and volunteer to fight fires risking their lives to the detriment of their businesses, work and families. Where is our Minister for Social Justice, for there is no social justice for the people of Elliston?

I would like to say a few words about an issue that has kept the phones ringing in my office since the budget was delivered. I refer to the increase in crown leases and licences and the freehold purchase price for perpetual leases. Even banks have never differentiated between leasehold and freehold. As I understand, this crown land was leased at such a low rate on the written understanding that the people taking on these leases would clear and develop this land. This they and their families did, putting up with considerable hardships and deprivations which doing it required of them, particularly in locations as remote as Eyre Peninsula.

Now that the land has been tamed and there have been a few good years, this socialist Labor government sees these farmers and their descendants as wealthy landholders who must be taxed. It makes me very angry that city people who have never picked up a sledgehammer to break the rocks on their land, who have never picked up a rock or a stump in their lives (let alone thousands upon thousands of them), now look at this prosperous well farmed land and see independent landowners who have little time for the nonsense of the cities—and the government wants to get at them. To me it is unjust and ignorant. I saw my father and brother with callused hands that bled from deep cracks. My mother's brother died from polluted water from a well with no hope of getting to a doctor. Every family that has connections with the land has similar stories to tell.

This land has been bought and paid for by the blood, sweat and tears of the people from the land. When they purchased their perpetual leases they paid full market prices and from then on all fees and charges were imposed on them by governments (local, state and federal) as if the land had been freehold. Most of these people, who do not trust governments not to do what the government is currently trying to do, have tried to freehold their land. However, bureaucratic red tape has often put almost insurmountable difficulties and considerable costs in their way, thus ensuring that many of the leases have not been amalgamated or made freehold despite the wishes of owners.

I suspect that the government has a fight on its hands that it would not have anticipated. This is one issue where I believe the community will stand and fight—something which, unlike farmers in places such as France, our farmers are normally very reluctant to do. Only today did I realise that the increase in stamp duty on houses worth over \$200 000 will also apply to farming properties and, presumably, other businesses from which people earn their living and which they usually hope to build up and sell to provide for their retirement. This is a wealth tax to discourage those who are willing to buy their properties and businesses and take the risks, work the hours and pay the wages of others, both directly and often indirectly.

Social justice obviously applies only to city people, and this government considers country people to be second-class citizens. From a \$9 billion Labor debt in 1993 to a balanced budget in just over eight years of Liberal government has not been easy, and country people have contributed more than their share, as acknowledged in the press release mentioned earlier, which states:

Regional South Australia, with little more than a quarter of the state's population, generates two-thirds of the state's export income, and a quarter of the state's manufacturing turnover.

It goes on to say:

This has been clearly recognised in the budget.

I would add: yes, with a kick in the guts.